



2024 1Q Earnings announcement



Message from Miguel Almeida, CEO

“As we progress into 2024, NOS continues to build on the strategic decisions that have been significantly shaping our path. With the intense investment phase in 5G now behind us, our focus has turned towards leveraging this technology to enhance our service offerings, and to drive efficiencies across operations and services through our transformation programme fostered by AI. Our sustained growth in the first quarter of 2024 reflects our strong commitment to innovation, superior customer service and value proposition. These elements are crucial as we navigate the dynamic market environment and strive to deliver enhanced value to our shareholders and customers alike”.

Highlights of 1Q24 results

Core Revenue growth across all segments, particularly in B2B, driving continuing improvement in FCF generation:

- Consolidated Revenue up 5.7% in 1Q24, led by robust Telco and A&C performance;
- EBITDA AL increased by 6.3% in 1Q24 to 155.3 million euros;
- EBITDA AL – CAPEX increased 29.0% to 63.4 million euros;
- Underlying FCF growth of 20.4 millions euros to 59.1 million euros;

Table 1.

2024 1Q highlights	1Q24 (M€)	yoy (%)
Consolidated Revenues	403.3	5.7%
Consolidated EBITDA AL	155.3	6.3%
Consolidated EBITDA AL - CAPEX	63.4	29.0%
Underlying FCF ¹	59.1	52.6%

¹⁾ Excluding activity fees recorded in 1Q24 and VAT related to tower deals in 1Q23

Strategic execution continues to shape positive trajectory

Strong effort to provide best in class solutions aligned with strategic ambitions to offer best mobile and nationwide fixed network continues to drive operational results. At the end of 1Q24, our 5G network covered over 96% of the population and our FttH coverage increased by 170k to 76.7% of total households.

Our performance is mirrored across all business lines, with significant growth in total RGUs to 11.069 million. The mobile segment led with 43k net additions in 1Q24, with all remaining services posting positive NAs. In fixed, we continued to expand our customer base across all services despite already high levels of penetration in Portugal, well above 90% in both PayTV and Broadband at the end of 2023.

In the B2B segment, NOS continues to make significant inroads with innovative cloud and IT-based solutions which are propelling underlying revenue growth. Our position as a preferred partner for business transformation is reinforced by our leading technological base and proactive engagement with the innovation and development ecosystem, paving the way for future growth.

Our cinema operations enjoyed a resurgence in attendance, with a 14.7% increase in ticket sales yoy, spurred by blockbuster hits such as Dune II and Bob Marley – One love.

Financial Performance

The Consolidated Financial Statements for 1Q24 have been subject to a limited review.

As from 1Q23 we started to focus our review of operational profitability on EBITDA AL, equivalent to pre IFRS16 EBITDA. As previously guided, we will no longer include EBITDA in our summary financial statements however a table reconciling EBITDA with EBITDA AL is included in Appendix and all relevant lines are included in the Profit and Loss Statement below.

Table 2.

Profit and Loss Statement (Millions of Euros)	1Q23	1Q24	1Q24 / 1Q23
Operating Revenues	381.4	403.3	5.7%
Telco	369.2	389.0	5.4%
Consumer Revenues	263.9	276.9	4.9%
Business Revenues	80.9	87.0	7.6%
Wholesale and Others	24.4	25.1	2.8%
Audiovisuals & Cinema	20.4	22.8	11.6%
Others and Eliminations	(8.2)	(8.5)	3.7%
Operating costs Excluding D&A AL	(235.2)	(248.0)	5.4%
Telco	(230.2)	(241.8)	5.0%
Audiovisuals & Cinema	(13.2)	(14.6)	11.2%
Others and Eliminations	8.2	8.5	3.7%
EBITDA AL⁽¹⁾	146.2	155.3	6.3%
EBITDA AL margin	38.3%	38.5%	0.2pp
Telco	138.9	147.2	6.0%
EBITDA AL margin	37.6%	37.8%	0.2pp
Audiovisuals & Cinema	7.2	8.1	12.3%
EBITDA AL margin	35.5%	35.7%	0.2pp
Leasings	(27.4)	(29.1)	6.4%
Telco	(24.7)	(26.7)	7.8%
Cinema Exhibition and Audiovisuals	(2.6)	(2.5)	(6.8%)
Depreciation and Amortization	(120.4)	(122.3)	1.6%
(Other Expenses) / Income	(0.5)	31.3	(6394.8%)
Operating Profit (EBIT)⁽²⁾	52.6	93.4	77.4%
Share of profits (losses) of associates and joint ventures	2.5	2.7	6.6%
(Financial Expenses) / Income	(13.0)	(20.7)	59.9%
Leases Financial Expenses	(7.4)	(8.3)	11.1%
Funding & Other Financial Expenses	(5.5)	(12.5)	125.1%
Income Before Income Taxes	42.2	75.4	78.6%
Income Taxes	(7.1)	(7.5)	5.2%
Net Income Before Associates & Non-Controlling Interests	32.5	65.1	100.3%
Net income	35.0	67.8	93.5%
Net income attributable to Non-controlling interests	0.1	(0.0)	(106.9%)
Net Income attributable to NOS shareholders	34.9	67.8	94.3%

(1) EBITDA AL = Operating Profit AL + Depreciation and Amortization + Integration Costs + Net Losses/Gains on Disposal of Assets + Other Non-Recurent Losses/Gains

(2) EBIT = Income Before Financials and Income Taxes.

Note: In 1Q24 B2C and B2B revenues have been restated to reflect a more accurate allocation between segments.

+5.7% Consolidated Revenue with positive contributions across all Telco segments and A&C

1Q24 marked a substantial yoy increase in consolidated revenues, with 5.7% growth to 403.3 million euros, testament to the robust performance of all our Telco segments, coupled with ongoing improvements in our Audiovisuals and Cinema operations.

Telco revenues improved 5.4% yoy to 389.0 million euros. B2C revenues saw a rise of 4.9% in 1Q24, driven by RGU growth and a continued improvement in value mix, reflected in 3.5% increase in residential ARPU to 50.8 euros, and an increase in stand-alone B2C customers revenues. Additionally, the B2B segment experienced revenue growth of over 7.6% to 87.0 million euros, fostered particularly by strong Corporate performance, up 9.3% yoy. Notably, low-margin project-based contracts had little impact on 1Q24 results and annual comparisons. The Wholesale and Other segment recorded a positive revenue performance in 1Q24, increasing 2.8% yoy to 25.1 million euros.

Our cinema exhibition and movie distribution business saw an increase in revenues of 11.6% in 1Q24 to 22.80 million euros. Cinema revenues grew 15.8% yoy, driven primarily by strong ticket sales, +14.7% yoy. These results are particularly noteworthy as Revenues surpassed 1Q19 levels by 6.8%, the best ever year for cinema sales.

Table 3.

Operating Indicators	1Q23	1Q24	1Q24 / 1Q23
Cinema			
Revenue per Ticket - box office (Euros)	6.1	6.1	1.5%
Tickets Sold - NOS ('000)	1,501.7	1,722.6	14.7%
Tickets Sold - Total Portuguese Market ⁽¹⁾ ('000)	2,332.8	2,673.9	14.6%
Screens (units)	214	214	0.0%

(1) Source: ICA - Portuguese Institute For Cinema and Audiovisuals

+6.3% Consolidated EBITDA AL leveraged by revenue growth and ongoing cost management

Consolidated EBITDA AL for 1Q24 grew 6.3%, with Telco EBITDA AL increasing by 6.0% and Audiovisuals & Cinema EBITDA AL by 12.3%. Consolidated OPEX AL increased by 5.4% yoy to 248.0 million euros, with structural optimizations and business transformation initiatives helping to mitigate ongoing inflationary pressures. Telco OPEX AL increased by 5.0%, driven primarily by an increase in activity related direct costs, higher yoy energy costs and some inflationary impact on internal wages and salaries and outsourced staff related costs. Audiovisuals & Cinema OPEX AL also increased, by 11.2%, again driven by higher levels of activity.

Within Direct costs one of the main drivers was activity in the B2B segment in particular relating to IT and Rental projects. Non-Direct, operating and structure costs were negatively impacted by Supplies and external services, with energy costs posting an increase yoy, due to higher regulated energy prices in the Portuguese market. On the positive side, due to our ongoing transformation programme, we were able to implement structural efficiencies in some areas, namely in call center and customer related costs with decreased activity needs. Leasing costs increased by 6.4%, impacted by inflationary adjustments with Cellnex, capped at 2%, and an increase in ran sharing sites.

Revenue and OPEX AL performance during the quarter led to improved operational profitability, elevating EBITDA AL margin by 0.2pp to 38.5%.

+30.8% growth in Net Results to 45.7 million euros, excluding positive one-off of 22.2 million euros

After adjustments for an additional receipt of activity fees related with a favourable court ruling, originally reported in 4Q23, of 31.7 million euros (9.5 taxes, 22.2 post tax), Net Income increased by 30.8% to 45.7 million euros. This growth reflects strong performance of our operations, with EBITDA AL growth of 6.3%, more than compensating the negative effect of the higher interest rate environment on Net Financial Expenses, which saw an increase of 59.9% to 20.7 million euros, nevertheless slightly below 4Q23 levels due to Index adjustments. Net results increased to 67.8 million euros.

-5.2% decrease in Total CAPEX to 92.0 million euros, -14.1% in Network expansion CAPEX

Following the intensive period of 5G network rollout, our investment in 1Q24 continued the downtrend of 5.2% to 92.0 million euros. Telco CAPEX decreased 6.8% yoy, driven by the completion of 5G deployment as guided (96% of population coverage). At these more normalized levels of CAPEX, NOS continues to extend its' FttH coverage within the context of its' sharing and wholesale agreements, and at the end of 1Q24 NOS FttH footprint represented 76.7% of total 5.5 million households. Customer related CAPEX decreased by 7.9% yoy to 36.1 million euros, reflecting an optimization of new CPEs installed. As a proportion of Telco Revenues, in 2023, Technical CAPEX amounted to 12.9%, down from 14.5% in 1Q23.

Table 4.

CAPEX (Millions of Euros) ⁽¹⁾	1Q23	1Q24	1Q24 / 1Q23
Total CAPEX Excluding Leasing Contracts & Other Contractual Rights	97.0	92.0	(5.2%)
Telco	92.6	86.3	(6.8%)
% of Telco Revenues	25.1%	22.2%	(2.9pp)
o.w. Technical CAPEX	53.4	50.2	(6.0%)
% of Telco Revenues	14.5%	12.9%	(1.6pp)
Baseline Telco	39.1	37.9	(3.1%)
Network Expansion / Substitution and Integration Projects and Others	14.4	12.4	(14.1%)
o.w. Customer Related CAPEX	39.2	36.1	(7.9%)
% of Telco Revenues	10.3%	9.0%	(1.3pp)
Audiovisuals and Cinema Exhibition	4.4	5.6	28.3%
Leasing Contracts & Other Contractual Rights	29.1	13.5	(53.5%)
Total Group CAPEX	126.1	105.5	(16.3%)

(1) CAPEX = Increase in tangible and intangible fixed assets, contract costs and rights of use
Note: In 1Q24 Network and Baseline CAPEX have been restated to reflect a more accurate allocation

+20.4 million euros of underlying Free Cash Flow growth

Operating FCF increased 56.8% led by strong EBITDA AL performance, lower investment as explained above and a positive net working variation in the quarter. Due to the globally higher interest rate environment, interest payments were higher by 3.5 million euros at 8.2 million euros.

In addition, yoy comparisons of total Free Cash Flow were positively impacted by a couple of one-off effects, namely: i) receipt of 20.2 million euros relating to activity fees due to the favourable court ruling as announced in 4Q23 and ii) the tower sale VAT payment in 1Q23 of 10.4 million euros.

Combining these effects, total Free Cash Flow increased by 51.0 million euros to 79.3 million euros, with underlying growth of 53.1% to 59.1 million euros.

Table 5.

Cash Flow (Millions of Euros)	1Q23	1Q24	1Q24 / 1Q23
EBITDA AL	146.2	155.3	6.3%
Total CAPEX Excluding Leasings & Other Contractual Rights	(97.0)	(92.0)	(5.2%)
EBITDA AL - Total CAPEX Excluding Leasings & Other Contractual Rights	49.1	63.4	29.0%
% of Revenues	12.9%	15.7%	2.8pp
Non-Cash Items Included in EBITDA AL - CAPEX and Change in Working Capital	(5.2)	5.3	(202.9%)
Operating Cash Flow	44.0	68.7	56.4%
Interest Paid	(4.7)	(8.2)	74.0%
Income Taxes Paid	0.0	(0.2)	(454.4%)
Disposals	0.3	0.1	(50.1%)
Other Cash Movements ⁽¹⁾	(11.2)	18.8	(268.6%)
Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition	28.4	79.3	179.6%
Financial Investments	0.1	0.1	58.9%
Acquisition of Own Shares	(4.4)	(3.2)	(26.9%)
Dividends	0.0	0.0	n.a.
Free Cash Flow	24.0	76.2	217.3%
Debt Variation Through Financial Leasing, Accruals & Deferrals & Others	(1.0)	(1.9)	90.9%
Change in Net Financial Debt	23.0	74.3	222.8%

(1) Includes Cash Restructuring Payments and Other Cash Movements.

Reinforced Capital Structure

At the end of 1Q24, Net Financial Debt / EBITDA AL stood at 1.66x, well below our strategic funding target level of around 2x. Net Financial Debt amounted to 1,015 million euros with total Debt including lease contracts (according to IFRS 16) at 1,716 million euros. Available unissued commercial paper facilities of 345 million euros and Cash and Equivalents of 13 million euros provide a very comfortable liquidity position of 358 million euros.

Due to the continuous high interest rate environment, average all-in cost of debt reached 4.1% in 1Q24. At 31 March 2024, 28% of NOS' debt was issued at fixed rate and an additional 37% was covered by interest rate collars. Total average maturity of debt at 31 March stood at 2 years and 8 months. Currently, more than 90% of NOS' total financial debt, is linked to ESG performance targets, reiterating our commitment to achieve NOS' global sustainability performance ambition.

Table 6.

Balance Sheet (Millions of Euros)	1Q23	1Q24	1Q24 / 1Q23
Non-current Assets	2,930.1	2,863.9	(2.3%)
Current Assets	558.5	598.9	7.2%
Total Assets	3,488.6	3,462.9	(0.7%)
Total Shareholders' Equity	1,083.3	1,061.3	(2.0%)
Non-current Liabilities	1,382.7	1,542.2	11.5%
Current Liabilities	1,022.6	859.4	(16.0%)
Total Liabilities	2,405.3	2,401.5	(0.2%)
Total Liabilities and Shareholders' Equity	3,488.6	3,462.9	(0.7%)

Table 7.

Net Financial Debt (Millions of Euros)	1Q23	1Q24	1Q24 / 1Q23
Short Term	342.9	199.4	(41.8%)
Medium and Long Term	649.4	828.8	27.6%
Total Debt	992.3	1,028.2	3.6%
Cash and Short Term Investments	23.1	13.1	(43.4%)
Net Financial Debt ⁽¹⁾	969.2	1,015.1	4.7%
Net Financial Debt / EBITDA after lease payments (last 4 quarters) ⁽²⁾	1.74x	1.66x	(0.0pp)
Leasings and Long Term Contracts	638.9	620.1	(2.9%)
Net Debt	1,608.1	1,635.2	1.7%
Net Debt / EBITDA (last 4 quarters)	2.42x	2.25x	(0.07pp)
Net Financial Gearing ⁽³⁾	59.8%	60.6%	1.5%

(1) Net Financial Debt = Borrowings - Leasings - Cash

(2) EBITDA After Lease Payments = EBITDA - Lease Cash Payments (Capital & Interest)

(3) Net Financial Gearing = Net Debt / (Net Debt + Total Shareholders' Equity).

General Meeting and Shareholder Remuneration

DPS of 0.350 euros approved in AGM and paid on 24 April 2024.

On 12 April 2024, NOS' held its Annual General Meeting. All points on the agenda were approved and as a result, NOS' shareholders approved an ordinary dividend payment of 35.0c per share, confirming NOS' strategic guidance of delivering a consistently attractive and sustainable level of shareholder remuneration. Payment of the total dividend was made on 24 April 2024.

Upon payment of this dividend, NOS maintains a solid capital structure, remaining below its target net debt ratio of 2x NFD / EBITDA AL. NOS remains robustly positioned to meet future investments and committed to continuing to distribute an attractive level of dividends whilst maintaining a strategic focus on preserving a strong capital structure to support continued delivery of sustainable value creation for shareholders.

Appendix

Table 8.

Telco - operating indicators ('000)	1Q23	2Q23	3Q23	4Q23	1Q24	2022	2023
Homes Passed	5,324.2	5,364.0	5,369.3	5,427.3	5,490.0	5,284.0	5,427.3
Ftth Coverage	67.2%	70.0%	71.2%	74.4%	76.7%	64.0%	74.4%
Total RGUs ⁽¹⁾	10,871.7	10,879.9	10,984.7	11,014.3	11,068.9	5,284.0	11,014.3
o.w. Consumer RGUs	9,141.0	9,146.0	9,239.9	9,256.6	9,296.3	9,064.0	9,256.6
o.w. Business RGUs	1,730.7	1,733.9	1,744.8	1,757.6	1,772.6	1,718.3	1,757.6
Mobile RGUs ⁽²⁾	5,811.7	5,814.1	5,895.6	5,917.1	5,960.1	5,733.8	5,917.1
Pre-Paid	2,153.3	2,112.7	2,126.7	2,069.0	2,015.2	2,149.7	2,069.0
Post-Paid	3,658.5	3,701.4	3,768.9	3,848.2	3,944.9	3,584.1	3,848.2
Pay TV Fixed Access ⁽³⁾	1,441.8	1,447.3	1,455.3	1,459.8	1,463.9	1,434.3	1,459.8
Pay TV DTH	223.7	218.4	214.3	210.2	206.3	229.9	210.2
Fixed Voice	1,812.5	1,813.0	1,819.9	1,821.7	1,825.4	1,808.7	1,821.7
Broadband	1,529.9	1,534.5	1,546.6	1,551.9	1,558.6	1,523.5	1,551.9
Others and Data	52.1	52.7	53.0	53.6	54.5	51.9	53.6
3,4&5P Subscribers (Fixed Access)	1,363.7	1,370.3	1,381.8	1,387.4	1,393.6	1,353.0	1,387.4
% 3,4&5P (Fixed Access)	93.0%	93.0%	93.1%	93.1%	93.2%	92.8%	93.1%
Convergent + Integrated RGUs	5,752.4	5,822.5	5,901.7	5,981.8	6,104.5	5,657.9	5,981.8
Convergent + Integrated Customers	1,107.8	1,118.2	1,130.8	1,141.9	1,159.7	1,091.7	1,141.9
Fixed Convergent + Integrated Customers as % of Fixed Access Customers	67.0%	67.5%	67.9%	68.5%	69.5%	66.3%	68.5%
% Convergent + Integrated Customers	65.3%	65.9%	66.4%	67.0%	68.0%	64.5%	67.0%
Residential ARPU / Unique Subscriber With Fixed Access (Euros) ^{(4)/(5)}	49.1	50.0	50.7	50.5	50.8	48.0	50.3
Net Adds							
Homes Passed	40.2	39.8	5.3	58.0	62.7	185.7	143.3
Total RGUs	89.4	8.2	104.8	29.5	54.6	476.8	232.0
o.w. Consumer RGUs	78.0	3.6	93.7	16.1	39.6	395.4	191.4
o.w. Business RGUs	11.5	4.7	11.1	13.0	15.0	81.4	40.3
Mobile	77.9	2.3	81.5	21.2	43.0	384.0	183.0
Pre-Paid	3.6	(40.6)	14.0	(57.7)	(53.7)	70.0	(80.8)
Post-Paid	74.3	42.9	67.5	79.3	96.7	314.0	264.1
Pay TV Fixed Access	7.5	5.4	8.0	4.5	4.1	41.5	25.4
Pay TV DTH	(6.2)	(5.3)	(4.0)	(4.2)	(3.9)	(22.9)	(19.8)
Fixed Voice	3.8	0.5	6.8	1.8	3.8	26.1	13.0
Broadband	6.3	4.6	12.1	5.3	6.7	38.0	28.3
Others and Data	0.1	0.6	0.3	0.6	0.9	10.0	1.7
3,4&5P Subscribers (Fixed Access)	10.7	6.5	11.5	5.6	6.2	54.7	34.4
Convergent + Integrated RGUs	94.5	70.1	79.2	80.1	122.6	411.3	323.9
Convergent + Integrated Customers	16.1	10.4	12.6	11.1	17.8	70.6	50.2

1) Consumer and Business RGUs have been restated in line with B2B & B2C Revenues restatement in 1Q24

2) Mobile Pre-paid & Post-paid RGUs have been restated

3) Fixed Access Subscribers include customers served by the HFC, FTTH and ULL networks and indirect access

4) Fixed residential ARPU restated from 1Q19 to include Revenues of SIM cards integrated in residential bills

5) Current quarter figures are estimates subject to possible review after final allocations determined

Table 9.

Cinemas - operating indicators	1Q23	2Q23	3Q23	4Q23	1Q24	2022	2023
Revenue per Ticket - box office (Euros)	6.1	5.7	5.9	5.8	6.1	5.7	5.9
Tickets Sold - NOS ('000)	1,501.7	2,033.7	2,810.4	1,710.4	1,722.6	6,261.0	8,056.3
Tickets Sold - Total Portuguese Market ⁽¹⁾ ('000)	2,332.8	3,087.2	4,183.0	2,687.4	2,673.9	9,613.9	12,290.4
Screens (units)	214.0	214.0	214.0	214.0	214.0	214.0	214.0

(1) Source: ICA - Portuguese Institute For Cinema and Audiovisuals

Table 10.

Profit and Loss Statement (Millions of Euros)	1Q23	2Q23	3Q23	4Q23	1Q24	2022	2023
Operating Revenues	381.4	393.8	407.9	414.3	403.3	1,521.0	1,597.5
Telco	369.2	377.5	384.9	401.2	389.0	1,469.2	1,532.7
Consumer Revenues ⁽¹⁾	263.9	269.5	275.9	281.2	276.9	1,027.5	1,090.4
Business Revenues ⁽¹⁾	80.9	83.0	83.9	94.5	87.0	342.5	342.3
Wholesale and Others ⁽¹⁾	24.4	25.1	25.1	25.5	25.1	99.2	100.1
Audiovisuals & Cinema	20.4	24.6	32.2	22.2	22.8	89.6	99.4
Others and Eliminations	(10.2)	(10.2)	(12.1)	(10.8)	(9.7)	(46.0)	(43.3)
Operating Costs Excluding D&A	(207.9)	(214.7)	(207.5)	(250.7)	(218.8)	(869.9)	(880.8)
Telco	(205.5)	(209.9)	(199.9)	(247.1)	(215.1)	(863.2)	(862.4)
Audiovisuals & Cinema	(10.5)	(13.2)	(16.7)	(12.7)	(12.2)	(44.6)	(53.2)
Others and Eliminations	8.2	8.3	9.2	9.1	8.5	37.8	34.7
EBITDA ⁽²⁾	173.5	179.1	200.4	163.6	184.5	651.1	716.7
EBITDA Margin	45.5%	45.5%	49.1%	39.5%	45.7%	42.8%	44.9%
Telco	163.7	167.6	185.0	154.1	173.9	606.0	670.4
EBITDA Margin	44.3%	44.4%	48.1%	38.4%	44.7%	41.2%	43.7%
Cinema Exhibition and Audiovisuals	9.9	11.5	15.4	9.5	10.6	45.1	46.3
EBITDA Margin	48.4%	46.5%	47.9%	42.9%	46.5%	50.3%	46.5%
Depreciation and Amortization	(120.4)	(116.6)	(122.8)	(123.8)	(122.3)	(480.9)	(483.6)
(Other Expenses) / Income	(0.5)	(0.7)	0.1	32.3	31.3	100.0	31.2
Operating Profit (EBIT) ⁽³⁾	52.6	61.7	77.7	72.1	93.4	270.2	264.2
Share of profits (losses) of associates and joint ventures	2.5	0.7	1.4	0.4	2.7	22.1	5.1
(Financial Expenses) / Income	(13.0)	(16.5)	(19.0)	(20.7)	(20.7)	(35.2)	(69.2)
Leases Financial Expenses	(7.4)	(7.6)	(8.0)	(8.0)	(8.3)	(25.9)	(31.0)
Funding & Other Financial Expenses	(5.5)	(8.9)	(11.0)	(12.8)	(12.5)	(9.3)	(38.2)
Income Before Income Taxes	42.2	45.9	60.2	51.8	75.4	257.1	200.1
Income Taxes	(7.1)	(0.4)	(14.4)	3.1	(7.5)	(32.7)	(18.8)
Net Income Before Associates & Non-Controlling Interests	32.5	44.8	44.4	54.5	65.1	202.3	176.3
Net Income	35.0	45.5	45.8	54.9	67.8	224.4	181.3
Net income attributable to Non-controlling interests	0.1	(0.0)	(0.0)	0.2	(0.0)	(0.1)	0.3
Net Income attributable to NOS shareholders	34.9	45.5	45.9	54.7	67.8	138.5	181.0

¹⁾ Current quarter figures are estimates subject to possible review after final allocations determined

²⁾ EBITDA = Operating Profit + Depreciation and Amortization + Integration Costs + Net Losses/Gains on Disposal of Assets + Other Non-Recurent Losses/Gains

³⁾ EBIT = Income Before Financials and Income Taxes.

Note: In 1Q24 B2C and B2B revenues have been restated to reflect a more accurate allocation between segments.

Leasings	(27.4)	(28.2)	(28.7)	(29.1)	(29.1)	103.3	113.5
Telco	(24.7)	(25.9)	(26.1)	(26.6)	(26.7)	93.3	103.4
Cinema Exhibition and Audiovisuals	(2.6)	(2.3)	(2.6)	(2.5)	(2.5)	10.1	10.0
Operating costs Excluding D&A AL	(235.2)	(242.9)	(236.2)	(279.8)	(248.0)	(766.6)	(767.3)
Telco	(230.2)	(235.8)	(226.1)	(273.7)	(241.8)	(770.0)	(758.9)
Audiovisuals & Cinema ⁽¹⁾	(13.2)	(15.4)	(19.3)	(15.2)	(14.6)	(34.5)	(43.1)
Others and Eliminations	8.2	8.3	9.2	9.1	8.5	37.8	34.7
EBITDA AL	146.2	150.9	171.7	134.5	155.3	547.7	603.2
EBITDA AL margin	38.3%	38.3%	42.1%	32.5%	38.5%	36.0%	37.8%
Telco	138.9	141.7	158.9	127.5	147.2	512.7	566.9
EBITDA AL margin	37.6%	37.5%	41.3%	31.8%	37.8%	34.9%	37.0%
Cinema Exhibition and Audiovisuals	7.2	9.2	12.8	7.0	8.1	35.0	36.3
EBITDA AL margin	35.5%	37.3%	39.8%	31.6%	35.7%	39.0%	36.5%

Table 11.

CAPEX ⁽¹⁾ (Millions of Euros)	1Q23	2Q23	3Q23	4Q23	1Q24	2022	2023
Total CAPEX Excluding Leasing Contracts & Other Contractual Rights	97.0	98.1	97.7	94.8	92.0	495.9	387.6
Telco	92.6	93.6	92.5	89.0	86.3	473.0	367.8
% of Telco Revenues	25.1%	24.8%	24.0%	22.2%	22.2%	32.2%	24.0%
o.w. Technical CAPEX	53.4	59.3	58.8	53.9	50.2	325.1	225.4
% of Telco Revenues	14.5%	15.7%	15.3%	13.4%	12.9%	22.1%	14.7%
Baseline Telco	39.1	29.1	38.1	38.0	37.9	159.1	144.2
Network Expansion / Substitution and Integration Projects and Others	14.4	30.2	20.7	15.9	12.4	166.0	81.2
o.w. Customer Related CAPEX	39.2	34.3	33.7	35.2	36.1	147.9	142.4
% of Telco Revenues	10.6%	9.1%	8.8%	8.8%	9.3%	10.1%	9.3%
Audiovisuals and Cinema Exhibition	4.4	4.5	5.2	5.7	5.6	22.9	19.8
Leasing Contracts & Other Contractual Rights	29.1	26.6	10.4	21.2	13.5	129.9	87.2
Spectrum licenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Group CAPEX	126.1	124.7	108.0	116.0	105.5	625.8	474.8

(1) CAPEX = Increase in Tangible and Intangible Fixed Assets, Contract Costs and Rights of Use
 Note: In 1Q24 Network and Baseline CAPEX have been restated to reflect a more accurate allocation

Table 12.

Cash Flow (Millions of Euros)	1Q23	2Q23	3Q23	4Q23	1Q24	2022	2023
EBITDA AL	146.2	150.9	171.7	134.5	155.3	547.7	603.2
Total CAPEX Excluding Leasings & Other Contractual Rights	(97.0)	(98.1)	(97.7)	(94.8)	(92.0)	(495.9)	(387.6)
EBITDA AL - Total CAPEX Excluding Leasings & Other Contractual Rights	49.1	52.7	74.0	39.7	63.4	51.8	215.6
% of Revenues	12.9%	13.4%	18.1%	9.6%	15.7%	3.4%	13.5%
Non-Cash Items Included in EBITDA AL - CAPEX and Change in Working Capital	(5.2)	2.2	(3.8)	11.5	5.3	2.9	4.7
Operating Cash Flow	43.9	54.9	70.2	51.2	68.7	54.7	220.3
Interest Paid	(4.7)	(7.4)	(8.6)	(13.7)	(8.2)	(10.5)	(34.4)
Income Taxes Paid	0.0	(10.5)	(31.9)	(16.2)	(0.2)	(29.4)	(58.5)
Disposals	0.3	0.2	0.2	0.8	0.1	165.7	1.4
Other Cash Movements ⁽¹⁾	(11.2)	(1.1)	(0.8)	14.6	18.8	12.5	1.6
Spectrum licenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition	28.4	36.2	29.2	36.7	79.3	193.0	130.5
Financial Investments	0.1	(0.1)	(0.6)	0.0	0.1	(1.6)	(0.6)
Acquisition of Own Shares	(4.4)	(0.7)	0.0	0.0	(3.2)	(7.1)	(5.2)
Dividends	0.0	(220.0)	0.0	0.6	0.0	(142.3)	(219.4)
Free Cash Flow	24.0	(184.6)	28.6	37.3	76.2	42.0	(94.7)
Debt Variation Through Financial Leasing, Accruals & Deferrals & Others	(1.0)	(1.5)	(2.7)	2.8	(1.9)	(2.5)	(2.5)
Change in Net Financial Debt	23.0	(186.1)	25.9	40.1	74.3	39.5	(97.1)

(1) Includes Cash Restructuring Payments and Other Cash Movements.

Table 13.

Net Financial Debt (Millions of Euros)	1Q23	2Q23	3Q23	4Q23	1Q24	2022	2023
Short Term	342.9	166.9	110.0	157.7	199.4	353.0	157.7
Medium and Long Term	649.4	999.3	1,031.4	949.8	828.8	654.5	949.8
Total Debt	992.3	1,166.2	1,141.4	1,107.5	1,028.2	1,007.4	1,107.5
Cash and Short Term Investments	23.1	10.9	11.9	18.2	13.1	15.2	18.2
Net Financial Debt ⁽¹⁾	969.2	1,155.3	1,129.4	1,089.3	1,015.1	992.2	1,089.3
Net Financial Debt / EBITDA after lease payments (last 4 quarters) ⁽²⁾	1.74x	2.03x	1.92x	1.81x	1.66x	1.81x	1.81x
Leasings and Long Term Contracts	638.9	644.2	633.8	626.5	620.1	630.2	626.5
Net Debt	1,608.1	1,799.5	1,763.3	1,715.8	1,635.2	1,622.4	1,715.8
Net Debt / EBITDA (last 4 quarters)	2.42x	2.64x	2.50x	2.39x	2.25x	2.49x	2.39x
Net Financial Gearing ⁽³⁾	59.8%	66.7%	65.1%	63.3%	60.6%	60.7%	63.3%

(1) Net Financial Debt = Borrowings - Leasings - Cash

(2) EBITDA After Lease Payments = EBITDA - Lease Cash Payments (Capital & Interest)

(3) Net Financial Gearing = Net Debt / (Net Debt + Total Shareholders' Equity).

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