

# **DIGI COMMUNICATIONS N.V.**

**(“the Company” or “DIGI”)**

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## **Investor presentation**

**Preliminary results  
of the year ended  
December 31, 2018**

**February 15, 2019**

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# Group overview

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## 2018 Preliminary Results




Mil €	Year ended Dec 31, 2017	Year ended Dec 31, 2018
Revenues <sup>2</sup>	€ 916.6 m	€ 1,038.1 m
EBITDA	€ 287.5 m	€ 324.6 m
Adj EBITDA margin <sup>1</sup>	31.4%	31.3%
Net Financial Debt	€ 763.8 m	€ 906.4 m

Source: Company data

<sup>1</sup> Adj EBITDA margin defined as Adj EBITDA / Revenues;

<sup>2</sup> Revenues exclude intersegment revenues

# Group overview

	 Romania	 Hungary <sup>1</sup>	 Spain & Other <sup>2</sup>	Total
<b>Service offering / RGUs</b>				
<b>December 31, 2018A ('000s)</b>				
CATV	3,305	689	-	<b>3,994</b>
Fixed internet and data	2,528	747	8	<b>3,283</b>
Mobile telecommunication services	3,406	15	1,538	<b>4,959</b>
Fixed-line telephony	1,188	694	3	<b>1,885</b>
DTH	529	276	-	<b>805</b>
<b>Total RGUs</b>	<b>10,956</b>	<b>2,421</b>	<b>1,549</b>	<b>14,926</b>

Source: Company data

<sup>1</sup> Hungary includes consolidated results, RGU and ARPU of Digi Hu and Invitel.

<sup>2</sup> In this Report, unless otherwise stated, as part of our "Other" segment we only present the results of our Italian operations, for revenue, and the results of our Italian operations and expenses of the Company, for operating expenses.

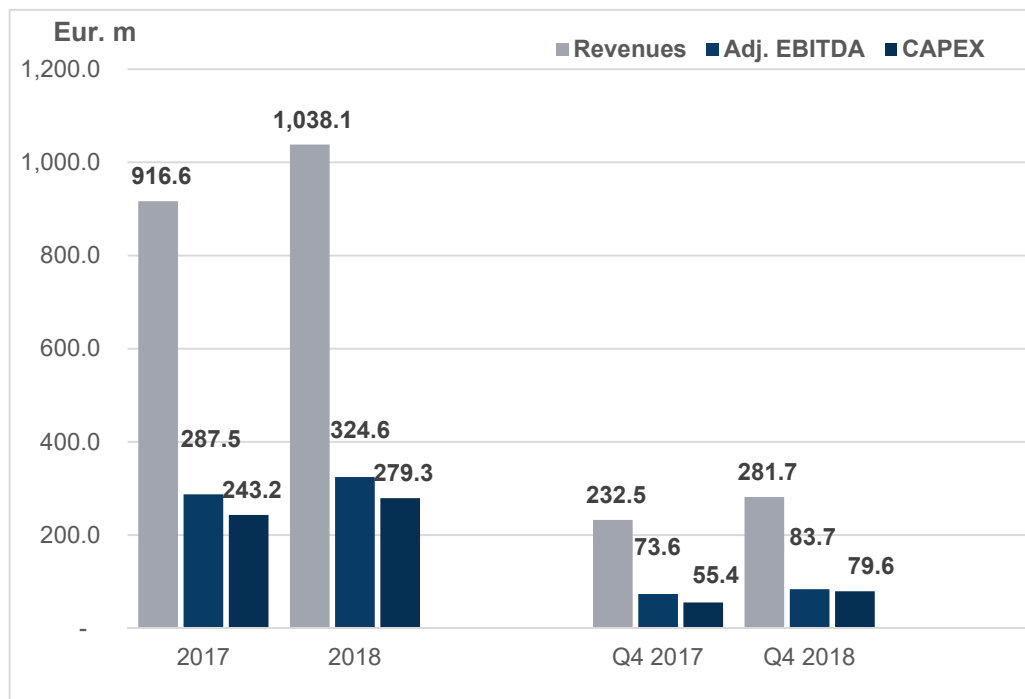
## Recent developments

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- Share conversion: On January 14, 2019 we convert 1.2 million Class A shares that were held as treasury shares, into an equal number of Class B shares.
- On January 15, 2019, the Bucharest Tribunal issued its judgment in relation to the investigation conducted by DNA. The decision acquitted Messrs. Serghei Bulgac, Mihai Dinei and Alexandru Oprea and convicted Mr. Ioan Bendei, RCS & RDS and Integrasoft. The court ordered total payments of approximately EUR 3.6 million. The decision is not final and has been appealed.
- On February 12, 2019 the Group successfully issued a EUR 200 million Notes (2016 Bond Tap) with the maturity in 2023. The main purpose of the financing was to partially refinance the existing Senior facilities agreements from 2016 and 2018.

# Financial highlights

## Results from continuing operations <sup>1</sup>



## Key considerations

- **Revenue growth was reported by all geographical segments:** mainly as a result of Invitel's acquisition and organic growth in all geographies.
- **Adj EBITDA<sup>1</sup>** value was higher (EUR 324.6 million) compared to 2017 (EUR 287.5 million)..
- **2018 CAPEX** was EUR 279.3 million, higher than in 2017 (EUR 243.2 million) mainly due to development of mobile networks in Romania and Hungary and the continuation of the investment projects in Romania.

Source: Company data

<sup>1</sup> Preliminary financial results for year ended December 31, 2018

<sup>2</sup> EBITDA is calculated by adding back to consolidated operating profit/(loss) the charges for depreciation, amortization and impairment of assets. Adjusted EBITDA is defined as EBITDA adjusted for the effect of extraordinary or one-off/non-recurring items. In addition, we adjust EBITDA for mark to market results (unrealized) from fair value assessment of energy trading contracts.

# Highlights Romania

## Subscribers

Thousand RGUs	RGUs Period Ended December 31,		Net Additions	
	2017	2018	Last 12 months	Last 3 months
	Cable TV	3,030	3,305	275
Fixed internet and data	2,284	2,528	244	69
Mobile telecommunications services <sup>1</sup>	3,391	3,406	15	27
Fixed-line telephony	1,260	1,188	(72)	(19)
DTH	593	529	(64)	(15)
<b>Total</b>	<b>10,558</b>	<b>10,956</b>	<b>398</b>	<b>133</b>

## Key considerations

- Steady growth in Cable TV and Internet subscribers
- Increase YoY in mobile telephony RGUs and ARPUs and decrease in mobile internet sticks RGUs

## ARPU (EUR) - residential clients

ARPU (EUR)	For the 3 months ended December 31,			For the year ended December 31,		% change
	2017	2018	% change	2017	2018	
	Cable TV	5.2	4.9	(5.8%)	5.2	
Fixed internet and data	5.0	4.7	(6.0%)	5.0	4.8	(4.0%)
Mobile telecommunications services <sup>1</sup>	4.3	4.7	9.3%	4.1	4.4	7.3%
Fixed-line telephony	1.3	1.3	0.0%	1.3	1.3	0.0%
DTH	4.9	4.8	(2.0%)	4.9	4.8	(2.0%)

<sup>1</sup> Includes mobile telephony and mobile data RGUs

# Highlights Hungary

## Subscribers

Thousand RGUs	RGUs Period Ended December 31,		Net Additions	
	2017	2018	Last 12 months	Last 3 months
Cable TV	500	689	189	4
Fixed internet and data	467	747	280	6
Mobile telecommunications services <sup>1</sup>	12	15	3	(1)
Fixed-line telephony	379	694	315	(3)
DTH	291	276	(15)	(12)
<b>Total</b>	<b>1,649</b>	<b>2,421</b>	<b>772</b>	<b>(6)</b>

## Key considerations

- Increase in Cable TV, Internet and Fixed Telephony subscribers as a result of Invitel's acquisition
- Increase in Cable TV, fixed-line telephony ARPU is a result of Invitel's acquisition

## ARPU (EUR) - residential clients

ARPU (EUR)	For the 3 months ended December 31,			For the year ended December 31,		
	2017	2018	% change	2017	2018	% change
Cable TV	8.3	8.4	1.2%	8.2	8.3	1.2%
Fixed internet and data	7.5	7.8	4.0%	7.6	7.6	0.0%
Mobile telecommunications services <sup>1</sup>	6.9	5.3	(23.2%)	7.1	5.9	(16.9%)
Fixed-line telephony	1.2	2.8	133.3%	1.4	2.4	71.4%
DTH	9.2	9.0	(2.2%)	9.2	9.1	(1.1%)

<sup>1</sup> Includes mobile internet and data services offered as a reseller through the Telenor network under our "Digi" brand



# Highlights Other Territories

## Subscribers & ARPU

Thousand RGUs	RGUs Period Ended December 31,		<i>Net Additions</i>	
	2017	2018	Last 12 months	Last 3 months
<b>Spain</b>				
<i>Mobile telecommunications services</i>	896	1,343	447	130
<i>Fixed internet and data</i>	-	8	8	8
<i>Fixed-line telephony</i>	-	3	3	3
<b>Italy</b>				
<i>Mobile telecommunications services</i>	170	195	25	(7)
<b>Total</b>	<b>1,066</b>	<b>1,549</b>	<b>483</b>	<b>134</b>

ARPU (EUR)	For the 3 months ended December 31,			For the year ended December 31,		
	2017	2018	% change	2017	2018	% change
<b>Spain</b>						
<i>Mobile telecommunications services</i>	10.1	9.5	(5.9%)	10.5	9.4	(10.5%)
<i>Fixed internet and data</i>	-	20.8	n/a	-	20.8	n/a
<i>Fixed-line telephony</i>	-	4.2	n/a	-	4.2	n/a
<b>Italy</b>						
<i>Mobile telecommunications services</i>	10.6	9.4	(11.3%)	10.6	9.6	(9.4%)

# Group Financial Profile (1/2)

## Financial liabilities as of December 31, 2018<sup>1</sup>

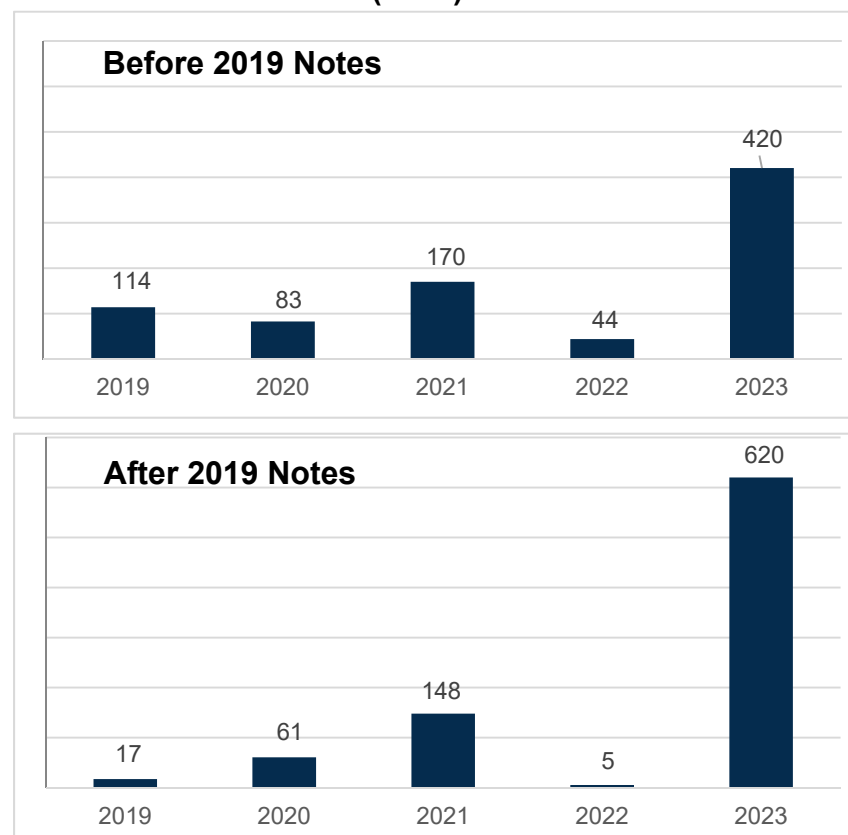
	<b>PRELIMINARY</b>
	<b>Amount</b>
<b>Facility</b>	<b>(Mil €)</b>
2016 Senior Secured Notes	350.0
2016 Senior Facility	296.1
2018 Senior Facility	175.3
Financial leases	8.0
Other long term debt <sup>2</sup>	43.6
Other short term debt <sup>3</sup>	46.1
Hedging obligations	1.1
<b>Total gross debt</b>	<b>920.2</b>
Cash on BS	13.8
<b>Total net debt</b>	<b>906.4</b>

<sup>1</sup> *Indebtedness as per Notes requirements*

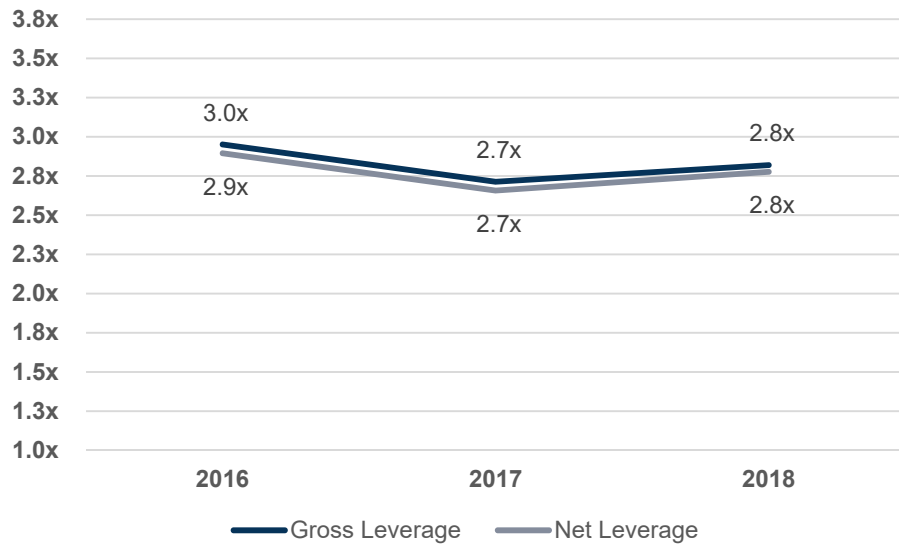
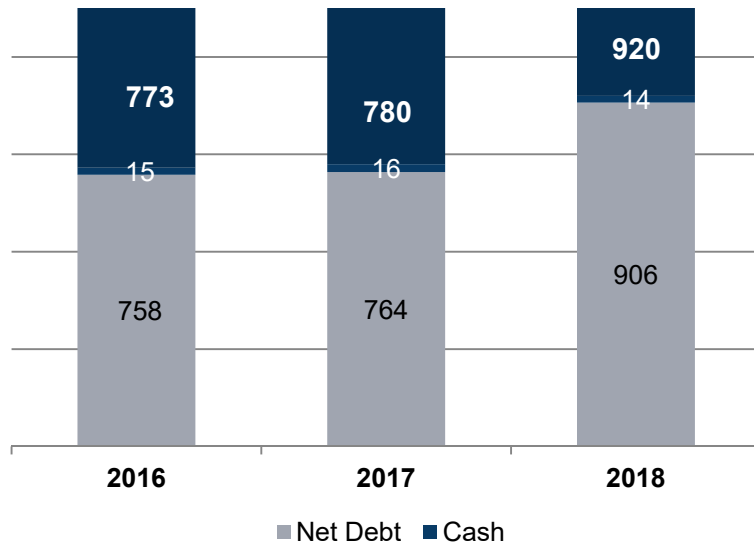
<sup>2</sup> *Other long term debt include long term liabilities and other long term debt*

<sup>3</sup> *Other short term debt include overdrafts and other short term debt*

## Maturity profile Long term loans & Notes (Mil €)<sup>2</sup>



## Group Financial Profile (2/2)



### Key considerations

- Total preliminary net debt<sup>1</sup> as of December 31, 2018 is €906.4 million
- Preliminary Net Leverage<sup>2</sup> is 2.8x and Preliminary Gross Leverage is 2.8x.

<sup>1</sup> Gross debt/ Net debt is presented as per Notes requirements.

<sup>2</sup> The Net Leverage and Gross Leverage are computed using EBITDA as per the Notes Covenants. Covenant's computation for the Net Leverage from the Senior Facility uses EBITDA which may be different from the Adjusted EBITDA presented in this presentation.

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# Q&A