



DIGI



Investor presentation

Preliminary Financial Result
for year ended December 31, 2019



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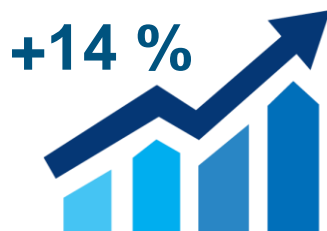


Highlights Preliminary Results

Revenues and Adj EBITDA (excl IFRS 16) increased with ~ 14% and 17% respectively for FY 2019 vs FY 2018

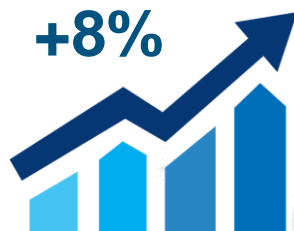
Revenues

EUR 1,186.0 million group consolidated revenues for FY 2019 (+14,2% compared with previous period)



RGU

+ **8% RGU** YoY increase, from 14.9 million RGU to **16.1 million**

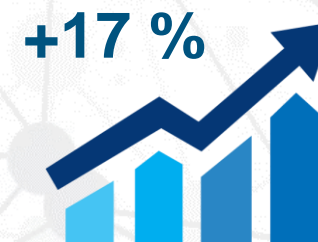


EBITDA

EUR 380.1 million Adj EBITDA (excl IFRS 16) for FY 2019 (+17% YOY increase)

and

EUR 446.3 million Adj EBITDA (incl IFRS 16) for FY 2019 (+37.5% YoY increase)





Group overview

'Mil €



Romania



Hungary



Spain & Other⁴

Total³

	Dec 31, 2019	Dec 31, 2019	Dec 31, 2019	Dec 31, 2019
Revenues ²	€756.6 m	€217.0 m	€216.8 m	€1,186.0 m
Adj. EBITDA	€345.9 m	€60.9 m	€39.6 m	€446.3 m
Adj EBITDA margin¹	45.7%	28.1%	18.2%	37.6%
Impact of IFRS 16 adoption	(€41.7)m	(€22.5)m	(€2.0)m	(€66.2)m
Adj EBITDA excl IFRS 16	€304.2 m	€38.4 m	€37.5 m	€380.1 m
Margin %	40.2%	17.7%	17.3%	32.0%

Source: Company data

¹ Adj EBITDA margin defined as Adj EBITDA / Revenues;

² Revenues per country include intersegment revenues in total amount of EUR 4.5 million for FY 2019;

³ Total Group revenues excluding intersegment revenues;

⁴ 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.



Group overview



Romania



Hungary



Spain & Other

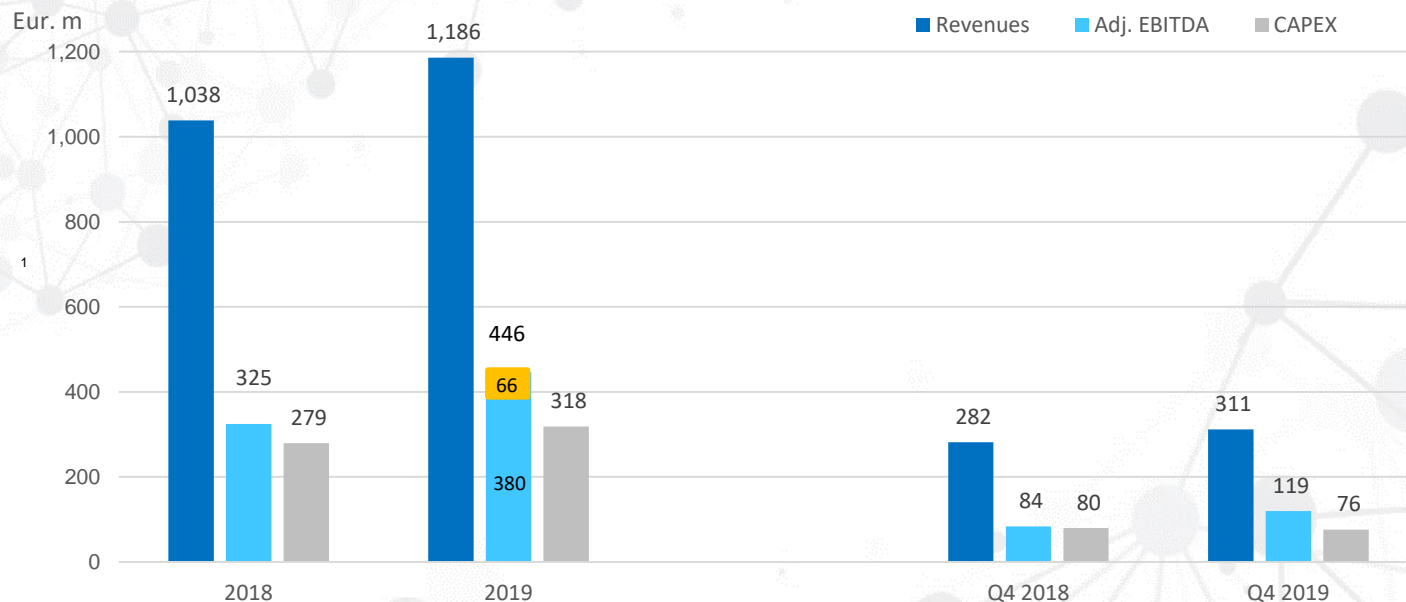
Total

Service offering / RGUs Dec 31, 2019A ('000s)

CATV	3,590	694	-	4,284
Fixed internet and data	2,775	750	81	3,606
Mobile telecommunication services	3,442	99	2,136	5,677
Fixed-line telephony	1,091	681	31	1,803
DTH	507	265	-	772
Total RGUs	11,405	2,489	2,248	16,142

Financial highlights

Preliminary results from operations



Source: Company data

¹ 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.

Key considerations

- Revenues in Romania increased mainly as a result of price increase across all residential services starting with March 2019 as well as increase in our cable TV and fixed internet and data RGUs;
- Revenues in Hungary increased mainly as a result of price increase for fixed services starting with March 2019;
- Revenues in Spain and Other increased as a result of increase in mobile RGUs and the introduction of fixed offerings for fixed internet and data and fixed telephony services in Spain from Sep 2018;
- Adj EBITDA¹ value was of EUR 119 million in Q4 2019 (+43% compared to Q4 2018). Primarily the increase is attributable to operations and secondly to the adoption of IFRS 16 starting with January 2019.
- CAPEX for Q4 2019 was EUR 76 million (Q4 2018 (EUR 80 million) with the main utilisation being in development of networks from Romania, Hungary and Spain.



Highlights Romania (1/2)

Revenue and Adj EBITDA

Preliminary results of Operations¹

'Mil €	Three months ended Dec 31,		% change	Year ended Dec 31,		% change
	2018	2019		2018	2019	
Revenues	184.4	197.0	6.8%	701.2	756.6	7.9%
Adj EBITDA	62.7	89.8	43.2%	259.4	345.9	33.3%
Margin %	34.0%	45.6%		37.0%	45.7%	
Impact of IFRS 16 adoption	-	(11.2)		-	(41.7)	
Adj EBITDA excl IFRS 16	62.7	78.6	25.4%	259.4	304.2	17.3%
Margin %	34.0%	39.9%		37.0%	40.2%	

Key considerations

- Revenue growth was driven by increase of prices starting with March 2019 and increase in our cable TV and fixed internet and data RGUs .
- Adj EBITDA and Adj EBITDA margin increased mainly operationally as a result of increases in prices and RGUs number, and also due to the adoption of IFRS 16 starting with January 1st, 2019.

¹ Figures include Intersegment revenues

Highlights Romania (2/2)

Subscribers

Thousand RGUs	RGUs year ended Dec 31,		Net Additions	
	2018	2019	Last 12 months	Last 3 months
Cable TV	3,305	3,590	285	67
Fixed internet and data	2,528	2,775	247	74
Mobile telecommunications services ¹	3,406	3,442	36	46
Fixed-line telephony	1,188	1,091	(97)	(21)
DTH	529	507	(22)	(3)
Total	10,956	11,405	449	163

ARPU (EUR) - residential clients

ARPU (EUR)	For the year ended Dec 31,		% change
	2018	2019	
Cable TV	5.0	5.2	4.0%
Fixed internet and data	4.8	4.8	0.0%
Mobile telecommunications services ¹	4.4	4.8	9.1%
Fixed-line telephony	1.3	1.3	0.0%
DTH	4.8	5.0	4.2%

Key considerations

- Steady growth in Cable TV and Internet and data subscribers
- ARPU for cable TV, mobile services and DTH increased as a result of March 2019 price increases. There was also a negative FX impact (YoY), that affected ARPU in Romania.

¹) Includes mobile telephony and mobile data RGUs



Highlights Hungary (1/2)

Revenue and Adj EBITDA

Preliminary results of Operations⁽¹⁾

'Mil €	Three months ended Dec 31,		% change	Year ended Dec 31		% change
	2018	2019		2018	2019	
Revenues	55.9	53.4	(4.5)%	190.9	217.0	13.7%
Adj EBITDA	12.7	19.0	48.4%	39.0	60.9	56.2%
Margin %	22.8%	35.6%		20.4%	28.1%	
Impact of IFRS 16 adoption	-	(6.8)		-	(22.5)	
Adj EBITDA excl IFRS 16	12.7	12.2	(4.7)%	39.0	38.4	(1.5)%
Margin %	6.7%	5.6%		20.4%	17.7%	

Key considerations

- Slight decrease in revenue presented in EUR for Q4 2019 was principally due to decrease of ARPU and to the foreign exchange impact of the depreciation of the HUF related to EUR in the reported period.
- Variation in Adjusted EBITDA in Q4 2019 is due to the adoption of IFRS 16 starting with January 2019 and the impact of salaries increases & mobile network development.

¹ Figures include Intersegment revenues

Highlights Hungary (2/2)

Subscribers

Thousand RGUs	RGUs year ended Dec 31,		Net Additions	
	2018	2019	Last 12 months	Last 3 months
Cable TV	689	694	5	(10)
Fixed internet and data	747	750	3	(7)
Mobile telecommunications services ¹	15	99	84	27
Fixed-line telephony	694	681	(13)	(10)
DTH	276	265	(11)	(10)
Total	2,421	2,489	68	(10)

ARPU (EUR) - residential clients

ARPU (EUR)	For the year ended Dec 31,		% change
	2018	2019	
Cable TV	8.3	7.9	(4.8)%
Fixed internet and data	7.6	8.5	11.8%
Mobile telecommunications services ¹	5.9	n.m	-
Fixed-line telephony	2.4	2.4	0.0%
DTH	9.1	8.9	(2.2)%

Key considerations

- Increase in Fixed Internet and Cable TV subscribers
- Starting from May 2019 we have launched mobile telephony services in Hungary through our local network which is still in testing phase
- The increase in Internet and data ARPU is mainly due to the increase in prices from March 2019

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

² From the beginning of Q3 2019 the resale of Telenor products ended. Our own Hungarian mobile network is still in testing phase, therefore ARPU as at Dec 31, 2019 is not material.

Highlights Spain and Italy

Preliminary results from operations

'Mil €	Three months ended Dec 31, % change			Year ended Dec 31, % change		
	2018	2019		2018	2019	
Revenues						
Spain ¹	36.8	56.0	52.2%	127.4	193.9	52.2%
Other	5.8	6.1	5.2%	23.4	23.0	(1.7)%
	42.5	62.1		150.8	216.8	
Adj EBITDA	8.2	10.6		26.1	39.6	

Impact of IFRS 16 adoption

- (0.9) - (2.0)

Adj EBITDA excl IFRS 16

8.2 9.7 18.3% 26.1 37.5 43.7%

Margin %

19.3% 15.6% 17.3% 17.3%

Subscribers

Thousand RGUs	RGUs year ended Dec 31,		Net Additions	
	2018	2019	Last 12 months	Last 3 months
Spain				
Mobile telecom. services ⁽²⁾	1,343	1,894	551	166
Fixed internet and data	8	81	73	32
Fixed-line telephony	3	31	28	12
Italy				
Mobile telecom. services ⁽²⁾	195	242	47	15
Total	1,549	2,248	699	225

- Stellar growth in RGUs in mobile telecommunication services in Spain (+41%)
- Significant increase of revenues in Q4 2019 (+52.2%)

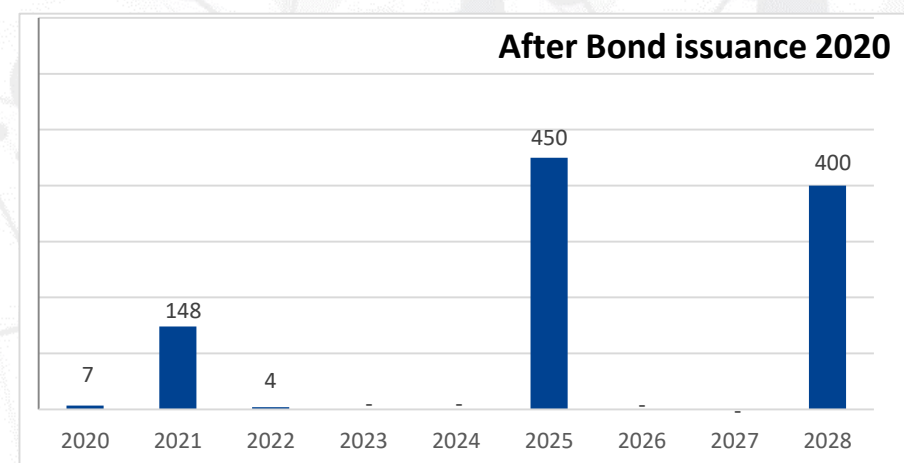
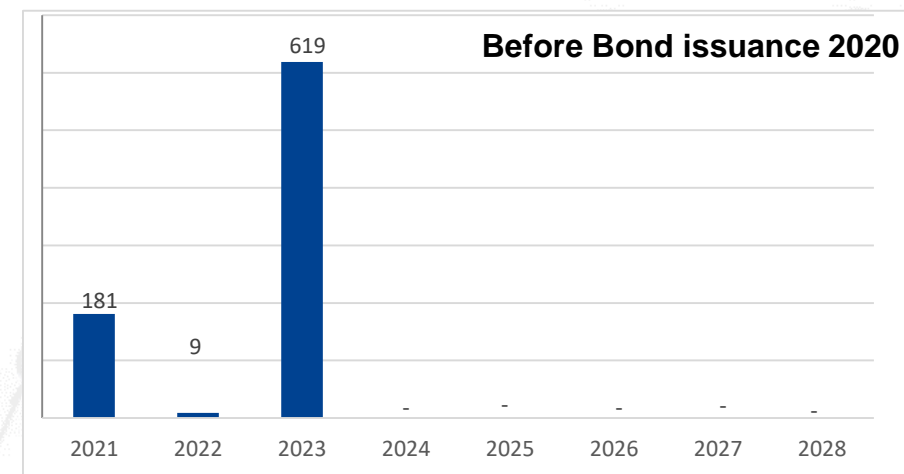
Group Financial Profile (1/2)

Financial liabilities as of Dec 31, 2019¹

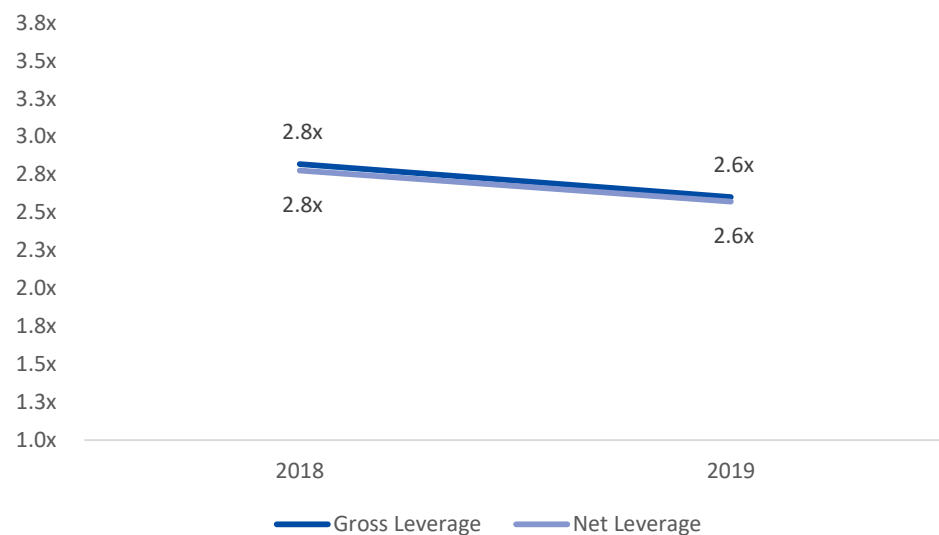
Facility	Amount (Mil €)
Senior Secured Notes	550.0
2016 Senior Facility	232.9
2018 Senior Facility	73.9
Financial leases	11.5
Other long term debt ²	57.3
Other short term debt ³	65.0
Total gross debt	990.7
Cash on BS	11.0
Total net debt	979.7

¹ Indebtedness as per 2016 Notes requirements. As per the 2016 Notes Covenants, debt is presented under IFRS available at the signing date, therefore excludes IFRS 16 implications. Indebtedness as per Loan Covenants include also interest accrual of €8.5 million as at Dec 31, 2019

Maturity profile Long term loans & Notes (Mil €)



Group Financial Profile (2/2)



Key considerations

- Total preliminary net debt¹ as of December 31, 2019 is €979.7 million
- Preliminary Net Leverage² and Gross leverage at 2.6x

1 Gross debt/ Net debt is presented as per 2016 Notes requirements.

2 The Net Leverage and Gross Leverage are computed using EBITDA as per the 2016 Notes Covenants, under IFRS available at the signing date, therefore excludes IFRS 16 implications. Covenant's computation for the Net Leverage from the 2016 Senior Secured Notes uses EBITDA which is different from the Adjusted EBITDA in this presentation.



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Q&A