



DIGI



Investor presentation

Financial Results
for quarter ended March 31, 2020



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Highlights Q1 2020



Sustained Growth Profile



Group

REVENUES +11 %

EUR 313.2 million group consolidated Revenues for Q1 2020 (+11% compared with previous period)

RGU +9 %

RGU YoY increase up to **16.5 million** (+9% compared with previous period)

EBITDA +26 %

EUR 97.5 million Adj EBITDA (excl IFRS 16) for Q1 2020 (+23% YOY increase) and **EUR 114.7 million** Adj EBITDA (incl IFRS 16) for Q1 2020 (+26% YoY increase)



Romania

EBITDA

EBITDA margin **47.3%**



Spain

RGU

Reached **2 mil** mobile RGU

Increased contribution to total group's revenues (**20%**) & EBITDA (**11%**)



COVID-19 outbreak

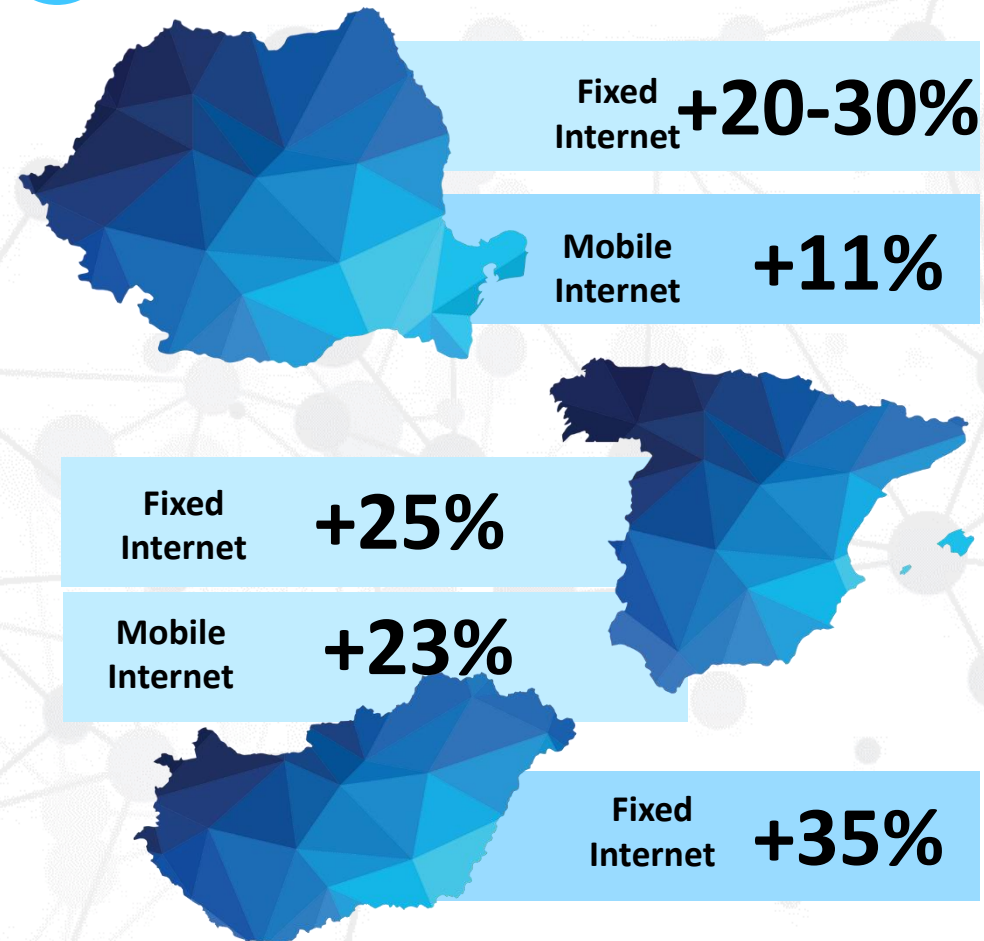
We have taken additional steps to ensure the health and safety of customers, employees and partners and the reliable delivery of services during the COVID-19 outbreak

The Group ensured operational continuity during this period

Fixed and mobile networks have been working within normal parameters, successfully supporting the increase in traffic







Increased traffic during this period¹



¹ Traffic increase as per the Company's statistics



Group overview

'Mil €	 Romania	 Hungary	 Spain	 Other ⁴	Total ³
	Mar 31, 2020	Mar 31, 2020	Mar 31, 2020	Mar 31, 2020	Mar 31, 2020
Revenues ²	€193.2 m	€52.3 m	€62.6 m	€6.1 m	€313.2 m
Adj. EBITDA	€91.4 m	€11.5 m	€12.4 m	(€0.5)m	€114.7 m
Adj EBITDA margin¹	47.3%	21.9%	19.7%	(8.7%)	36.6%
Impact of IFRS 16 adoption	(€11.2)m	(€5.4)m	(€0.6)m	(€0.0)m	(€17.2)m
Adj EBITDA excl IFRS 16	€80.2 m	€6.1 m	€11.8 m	(€0.6)m	€97.5 m
Margin %	41.5%	11.6%	18.8%	-9.3%	31.1%
RGUs(000)	11,634	2,487	2,176	238	16,535

Source: Company data

¹ Adj EBITDA margin defined as Adj EBITDA / Revenues;

² Revenues per country include intersegment revenues in total amount of EUR 1.0 million for Q1 2020;

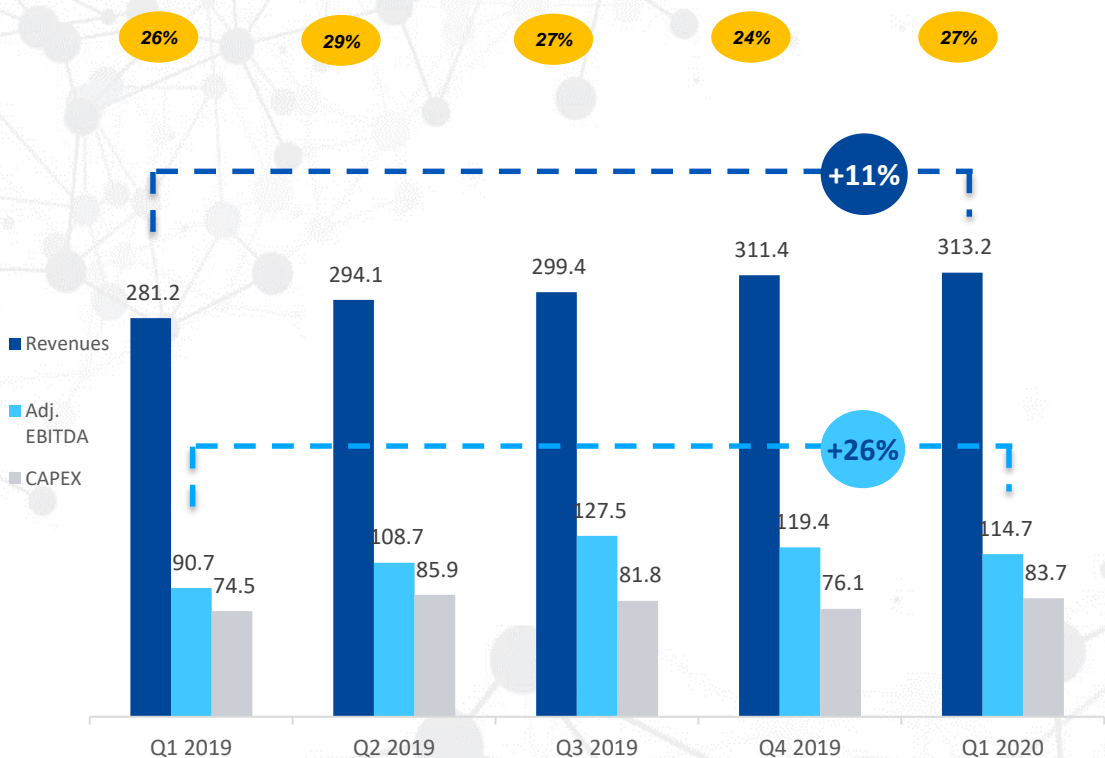
³ Total Group revenues excluding intersegment revenues;

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.

Financial highlights

Quarterly evolution

% CAPEX/revenues



Source: Company data

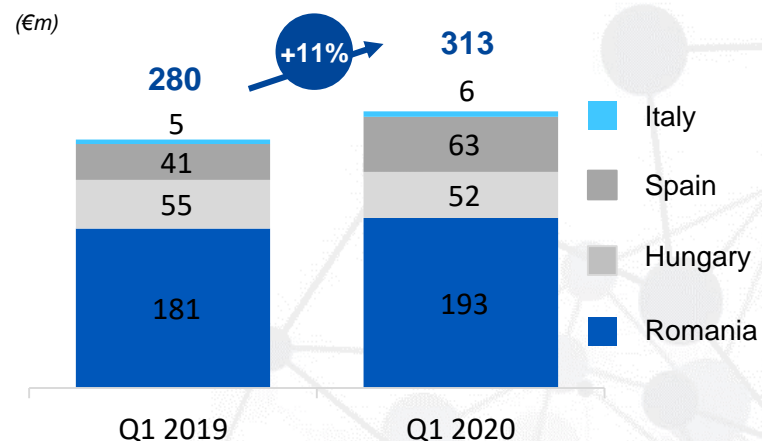
1 EBITDA is calculated by adding back to consolidated operating profit/(loss) the charges for depreciation, amortization and impairment of assets. Adjusted EBITDA is defined as EBITDA adjusted for the effect of extraordinary or one-off/non-recurring items. In addition, we adjust EBITDA for mark to market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

2 Revenues per country include intersegment revenues in total amount of EUR 1.0 million for Q1 2020;

YOY

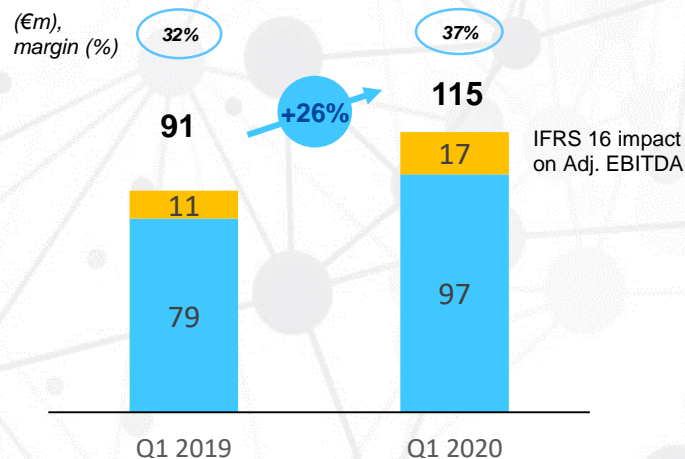
Group revenue²

(€m)



Group adjusted EBITDA¹

(€m), margin (%)



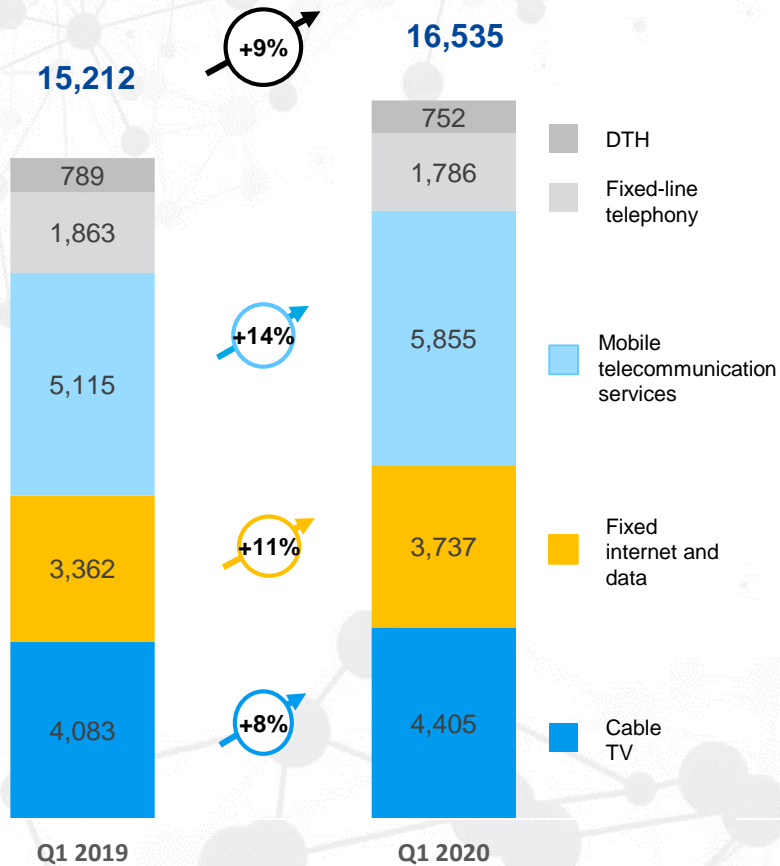
Key considerations

- Continued growth profile
- Romania and Spain are the main contributors to increase in Group's revenues and adj EBITDA
- Improved operational performance

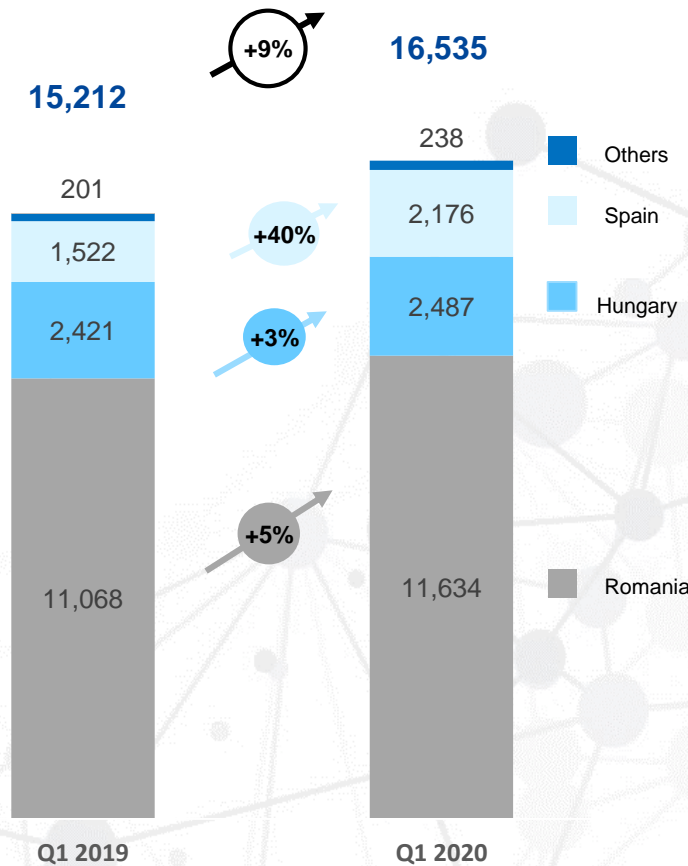


Sustained growth momentum for Group's RGUs

**RGUs ('000)
per business line**



**RGUs ('000)
per country**

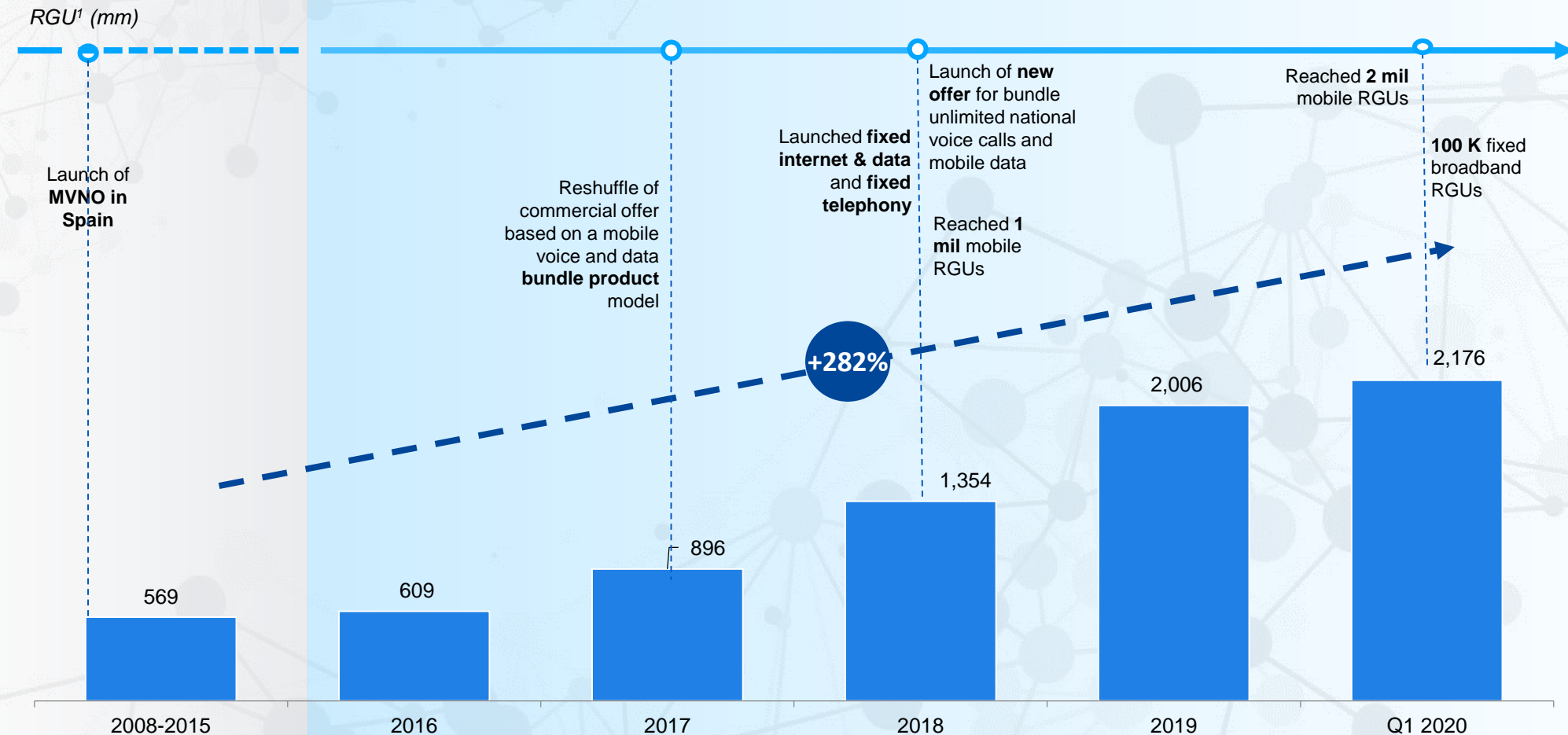


Key considerations

- RGU growth in fixed services in Romania
- Mobile RGUs in Spain reached 2 million level

Strong sustained commercial success in Spain (1/2)

Key milestones



Targeting Romanian migrants niche

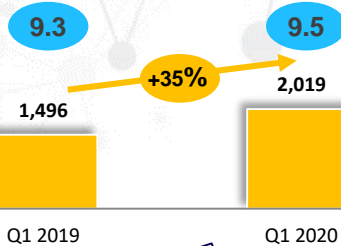
Targeting new segments of value for money oriented customers

Strong sustained commercial success in Spain (2/2)

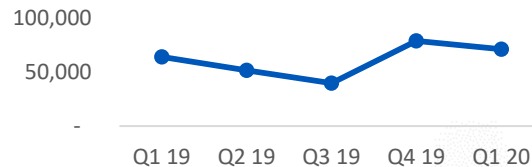
Significant growth beyond initial market niche of Romanian community in Spain and successful diversification into fixed services

Mobile

DIGI RGUs ('000s)



Constantly in top 3 net gain operators for mobile number portability



Relevant player in ~50mm market²

Mobile market share¹ (Q1 2019)

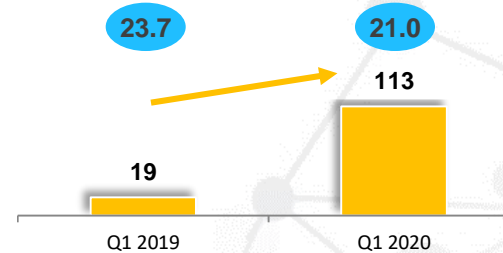
Mobile market share¹ (Q1 2020)



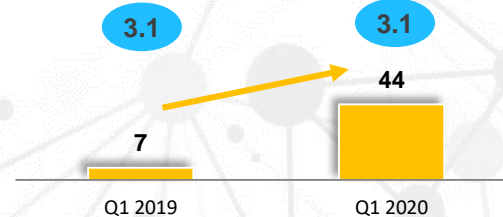
Fixed services

DIGI RGUs ('000s)

Fixed Internet and Data



Fixed telephony



- Significant net additions growth following the expansion of footprint with 10 new provinces during Q3 2019
- Further footprint expansion planned during 2020

Critical success factors

- Constantly promoting leading value for money offerings
- Recommended offer for fix/mobile convergence services² by the Spanish Consumer Organisation³
- Focused on developing direct distribution channel
- Vertical integrated operational model, sharing best practices from the successful Romanian model



Group Financial Profile

Financial liabilities as of Mar 31, 2020¹

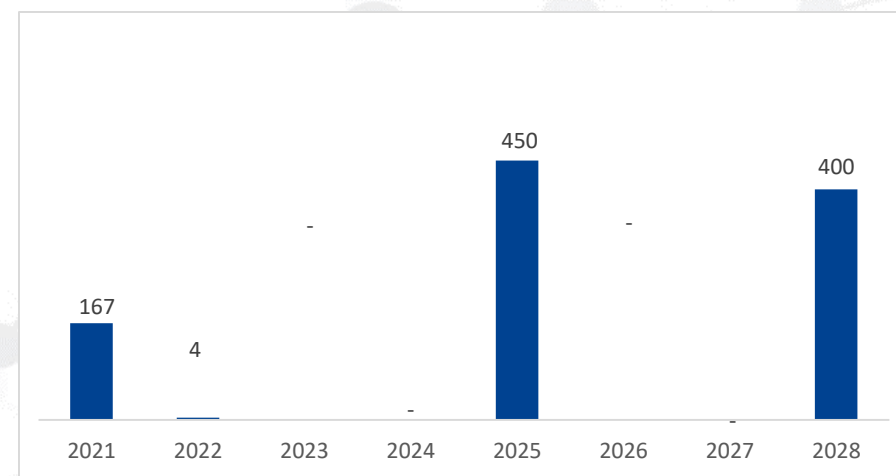
Facility	Amount (Mil €)
Senior Secured Notes	850.0
2016 Senior Facility	163.4
Other long term debt	60.1
Other short term debt	45.1
Other ²	14.9
Total gross debt	1,133.5
Cash on BS	87.8
Total net debt	1,045.7

¹ Indebtedness as per Notes requirements. As per the Notes Covenants, debt is presented under IFRS available at the signing date, therefore excludes IFRS 16 implications.

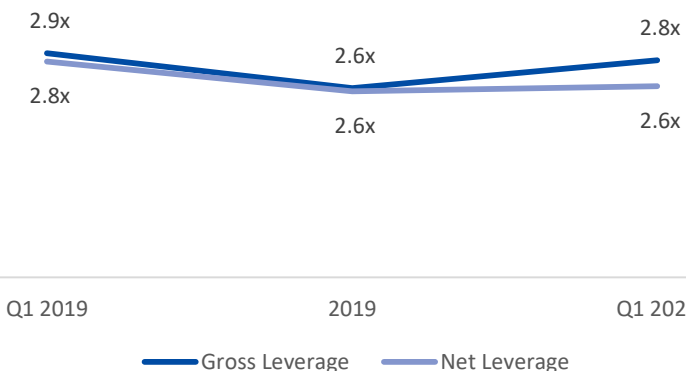
² Includes Finance lease liabilities and embedded derivative liabilities

³ The Net Leverage and Gross Leverage are computed using EBITDA as per the Notes Covenants, under IFRS excluding IFRS 16 implications. Covenant's computation for the Net Leverage from the Senior Secured Notes uses EBITDA adjusted as per Indenture requirements, which is different from the Adjusted EBITDA in this presentation.

Maturity profile Long term loans & Notes (Mil €)



Leverage³







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APPENDIX



Group overview

	 Romania	 Hungary	 Spain	 Other ⁴	Total
Service offering / RGUs Mar 31, 2020A ('000s)					
CATV	3,713	692	-	-	4,405
Fixed internet and data	2,875	749	113	-	3,737
Mobile telecommunication services	3,476	122	2,019	238	5,855
Fixed-line telephony	1,070	672	44	-	1,786
DTH	500	252	-	-	752
Total RGUs	11,634	2,487	2,176	238	16,535



Highlights Romania (1/2)

Revenue and Adj EBITDA

Results of Operations¹

'Mil €	Three months ended Mar 31,		% change
	2019	2020	
Revenues	181.2	193.2	6.6%
Adj EBITDA	72.4	91.4	26.2%
Margin %	39.9%	47.3%	

Key considerations

- Main contributors to revenue growth:
 - increase in our cable TV and fixed internet and data RGUs,
 - increase in our mobile telecommunication services ARPU
 - prices for telecommunication services increased in March 2019
- Main contributors to Adj EBITDA growth:
 - mainly operationally, as a result of increases in prices and RGUs number

¹ Figures include Intersegment revenues



Highlights Romania (2/2)

Subscribers

Thousand RGUs	RGUs year ended Mar 31,		Net Additions	
	2019	2020	Last 12 months	Last 3 months
Cable TV	3,391	3,713	322	123
Fixed internet and data	2,590	2,875	285	100
Mobile telecommunications services ¹	3,404	3,476	72	34
Fixed-line telephony	1,167	1,070	(97)	(21)
DTH	516	500	(16)	(7)
Total	11,068	11,634	566	229

ARPU (EUR) - residential clients

ARPU (EUR)	For the year ended Mar 31,		% change
	2019	2020	
Cable TV	5.1	5.2	2.0%
Fixed internet and data	4.7	4.8	2.1%
Mobile telecommunications services ¹	4.6	4.7	2.2%
Fixed-line telephony	1.3	1.3	0.0%
DTH	4.9	5.0	2.0%

¹⁾ Includes mobile telephony and mobile data RGUs

Key considerations

- Growth in Cable TV and Internet and data subscribers, reaching historic levels
- ARPU increases



Highlights Hungary (1/2)

Revenue and Adj EBITDA

Results of Operations⁽¹⁾

'Mil €	Three months ended Mar 31,		% change
	2019	2020	
Revenues	55.0	52.3	-4.9%
Adj EBITDA	9.6	11.5	19.8%
Margin %	17.5%	21.9%	

Key considerations

Revenues

- Depreciation of 6.6% of average exchange rate (Q1 2020/Q1 2019)
- 1.2% decrease of revenues in constant currency, mainly from the natural churn of Invitel's customers.

Adj EBITDA

- Depreciation of average exchange rate
- Programming expenses

¹ Figures include Intersegment revenues



Highlights Hungary (2/2)

Subscribers

Thousand RGUs	RGUs year ended Mar 31,		Net Additions	
	2019	2020	Last 12 months	Last 3 months
	Cable TV	692	692	-
Fixed internet and data	753	749	(4)	(1)
Mobile telecommunications services ¹	14	122	108	23
Fixed-line telephony	689	672	(17)	(9)
DTH	273	252	(21)	(13)
Total	2,421	2,487	66	(2)

Key considerations

- Increase in mobile RGUs
- Constant ARPU in CCY for Cable Tv and increasing for Internet and data, following price increases from March 2019

ARPU (EUR) - residential clients

ARPU (EUR)	For the year ended Mar 31,			% change	% change CCY
	2019	2019 CCY	2020		
Cable TV	8.2	7.7	7.7	(6.1%)	(0.4%)
Fixed internet and data	8.4	7.9	8.6	2.4%	8.8%
Mobile telecommunications services ¹	6.8	6.4	n/m	--	
Fixed-line telephony	2.5	2.4	2.1	(16.0%)	(11.7%)
DTH	9.1	8.5	8.4	(7.7%)	(1.2%)

¹ For Q1 2019, includes mobile internet and data services offered as a reseller through the Telenor network under our "Digi" brand. From the beginning of Q3 2019 onwards the resale of Telenor products ended. For Q1 2020, includes our own Hungarian mobile RGUs. Our mobile network is still in testing phase, therefore ARPU is not material.



Highlights Spain (1/2)

Revenue and Adj EBITDA

Results of Operations⁽¹⁾

'Mil €	Three months ended Mar 31,		% change
	2019	2020	
Revenues	40.7	62.6	53.8%
Adj EBITDA	8.5	12.4	45.9%
Margin %	20.9%	19.7%	

Key considerations

Revenues

- New customer acquisitions as a result of more attractive and affordable mobile and data offerings

Adj EBITDA

- Main contributors:
 - Interconnection expenses increase in line with RGU increase (mobile & fixed services)
 - Salaries increases, in line with increasing employees base

¹ Figures include Intersegment revenues



Highlights Spain (2/2)

Subscribers

Thousand RGUs	RGUs year ended Mar 31,		Net Additions	
	2019	2020	Last 12 months	Last 3 months
Fixed internet and data	19	113	94	32
Mobile telecommunications services ¹	1,496	2,019	523	125
Fixed-line telephony	7	44	37	13
Total	1,522	2,176	654	170

Key considerations

- Continuing growth
- Reach of 2 million RGU's achieved on mobile telephony and data services

ARPU (EUR) - residential clients

ARPU (EUR)	For the year ended Mar 31,		% change
	2019	2020	
Fixed internet and data	23.7	21.0	(11.4%)
Mobile telecommunications services ¹	9.3	9.5	2.2%
Fixed-line telephony	3.1	3.1	0.0%



Contact

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Q&A