



DIGI



Investor presentation
for the period ended June 30, 2019



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Group overview

'Mil €	 Romania		 Hungary		 Spain & Other ⁴		Total ³	
	3 months June 30, 2019	6 months June 30, 2019	3 months June 30, 2019	6 months June 30, 2019	3 months June 30, 2019	6 months June 30, 2019	3 months June 30, 2019	6 months June 30, 2019
Revenues ²	€187.5 m	€368.8 m	€55.4 m	€110.4 m	€52.3 m	€98.3 m	€294.1 m	€575.2 m
Adj. EBITDA	€83.6 m	€156.0 m	€16.1 m	€25.7 m	€9.0 m	€17.7 m	€108.7 m	€199.4 m
Adj EBITDA margin¹	44.6%	42.3%	29.1%	23.3%	17.1%	18.0%	37.0%	34.7%

Service offering / RGUs June 30, 2019A ('000s)

CATV	3,447	696	-	4,143
Fixed internet and data	2,636	757	33	3,426
Mobile telecommunication services	3,383	56	1,847	5,286
Fixed-line telephony	1,133	691	13	1,837
DTH	517	276	-	793
Total RGUs	11,116	2,476	1,893	15,485

Source: Company data

¹ Adj EBITDA margin defined as Adj EBITDA / Revenues;

² Revenues per country include intersegment revenues in total amount of EUR 1.2 million;

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.



Recent developments

Business

Starting from May 27, 2019 we have launched mobile telephony services in Hungary through our local network. We are testing the network, therefore this offering is limited to our existing customers for the moment.

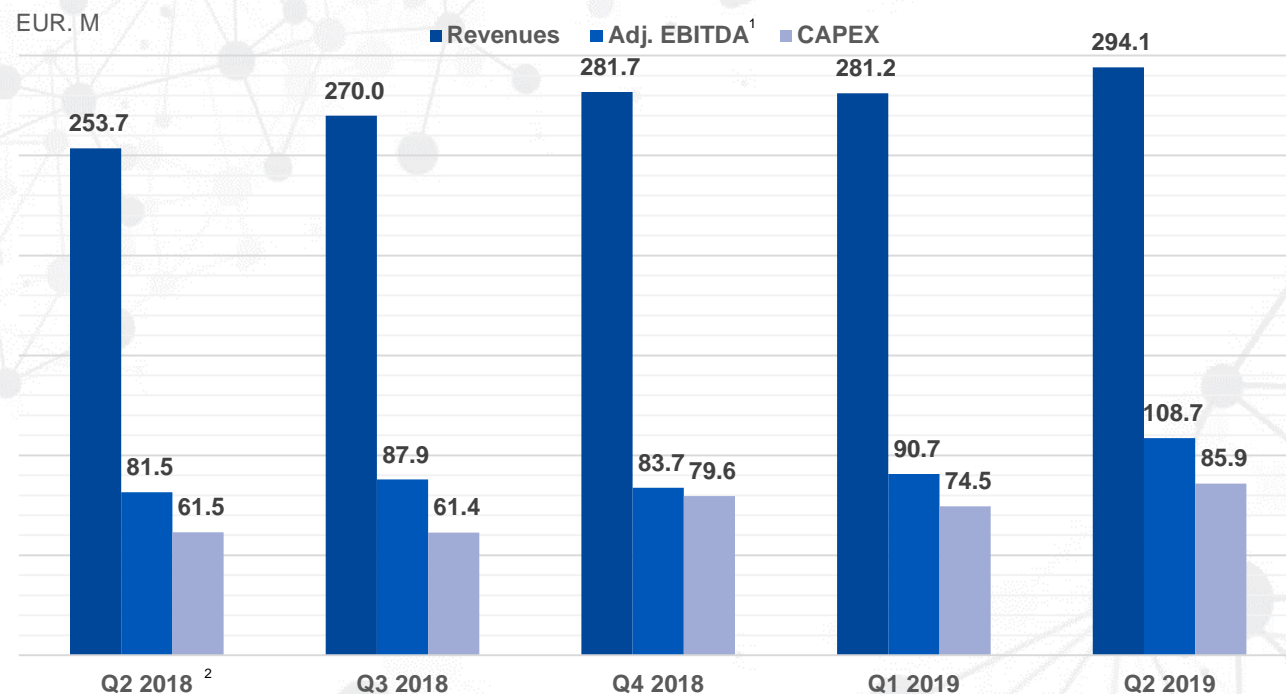
On 30 July 2019, RCS & RDS S.A., Digi Távközlési és Szolgáltató Kft and DIGI Communications N.V. signed an agreement with Citibank, N.A., London Branch, ING Bank N.V. and Unicredit Bank S.A., as mandated lead arrangers, a syndicated multicurrency (RON, EUR, HUF) loan facility agreement.

The syndicated facility agreement is granted for 12 months, with the possibility of extension up to 24 months from the execution date of the syndicated facility agreement. The value of the Syndicated Facility Agreement is €150 million and may be increased up to €250 million (or its equivalent in other currencies).

The Syndicated Facility Agreement is meant to be used by the Company and its subsidiaries for the purpose of investments.

Financial highlights

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.

² As per restated accounts (Condensed Consolidated Interim Financial Report for the six month period ended 30 June 2019)

Key considerations

- Revenues in Romania increased mainly as a result of the 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 the acquisition of Invitel (Q2 2019 vs Q2 2018) and increased prices for the internet services starting with March 2019;
- Revenues in Spain and Other increased solely as a result of increase in RGUs.
- Adj EBITDA¹ value was higher in Q2 2019 compared to Q2 2018 by EUR 27 million. Half of the increase is attributable to operations and the other half is due to the adoption of IFRS 16 starting with January 2019.
- CAPEX for Q2 2019 was EUR 85.9 million, higher than in Q2 2018 (EUR 61.5 million) with the main utilisation being the development of mobile network in Hungary and fixed networks from Romania, Hungary and Spain.



Highlights Romania (1/2)

Revenue and Adj EBITDA

Results of Operations¹

'Mil €	Three months ended		% change	Six months ended		% change
	June 30, 2018 ⁽²⁾	2019		June 30 2018 ⁽²⁾	2019	
Revenues	175.4	187.5	6.9%	339.4	368.8	8.7%
Adjusted EBITDA	69.4	83.6	20.46%	133.6	156.0	16.8%
Margin %	39.6%	44.6%		39.4%	42.3%	

Key considerations

- Revenue growth was driven by increase telecommunication services 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 due to the adoption of IFRS 16 starting with January 1st, 2019, but also as a result of increases in prices and RGU number.

¹ Figures include Intersegment revenues

² As per restated accounts (Condensed Consolidated Interim Financial Report for the six month period ended 30 June 2019)

Highlights Romania (2/2)

Subscribers

Thousand RGUs	RGUs Period Ended June 30,		Net Additions	
	2018	2019	Last 12 months	Last 3 months
Cable TV	3,148	3,447	299	56
Fixed internet and data	2,384	2,636	252	46
Mobile telecommunications services ¹	3,367	3,383	16	(21)
Fixed-line telephony	1,225	1,133	(92)	(34)
DTH	564	517	(47)	1
Total	10,688	11,116	428	48

ARPU (EUR) - residential clients

ARPU (EUR)	For the period ended June 30,		% change
	2018	2019	
Cable TV	5.1	5.3	3.9%
Fixed internet and data	4.9	4.8	(2.0%)
Mobile telecommunications services ¹	4.4	4.8	9.1%
Fixed-line telephony	1.3	1.3	0.0%
DTH	4.8	5.1	6.3%

1) Includes mobile telephony and mobile data RGUs

Key considerations

- Steady growth in Cable TV and Internet subscribers
- ARPU for cable TV, mobile services and DTH in Q2 2019 increase as a result of March 2019 price increases. There was also a negative FX impact (YoY), that affected ARPU in Romania.



Highlights Hungary (1/2)

Revenue and Adj EBITDA

Results of Operations⁽¹⁾

'Mil €	Three months ended June 30,		% change	Six months ended June 30		% change
	2018 ⁽²⁾	2019		2018 ⁽²⁾	2019	
Revenues	43.1	55.4	28.5%	80.4	110.4	37.3%
Adjusted EBITDA	7.3	16.1	120.5%	15.2	25.7	69.1%
Margin %	16.8%	29.1%		18.9%	23.3%	

Key considerations

- Increase in revenue and Adjusted EBITDA in Q2 2019 driven by Invitel's acquisition and to a lesser extent due to the prices increases and organic growth.

1 Figures include Intersegment revenues

2 As per restated accounts (Condensed Consolidated Interim Financial Report for the six month period ended 30 June 2019)



Highlights Hungary (2/2)

Subscribers

Thousand RGUs	RGUs Period Ended June 30,		Net Additions	
	2018 ⁽²⁾	2019	Last 12 months ⁽²⁾	Last 3 months
Cable TV	684	696	12	4
Fixed internet and data	730	757	27	4
Mobile telecommunications services ¹	17	56	39	42
Fixed-line telephony	718	691	(27)	2
DTH	299	276	(23)	3
Total	2,448	2,476	28	55

ARPU (EUR) - residential clients

ARPU (EUR)	For the period ended June 30,		% change
	2018 ⁽²⁾	2019	
Cable TV	8.2	8.0	(2.4%)
Fixed internet and data	7.4	8.8	18.9%
Mobile telecommunications services ¹	6.2	3.7	(40.3%)
Fixed-line telephony	2.1	2.4	14.3%
DTH	9.2	9.1	(1.1%)

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

² As per restated accounts (Condensed Consolidated Interim Financial Report for the six month period ended 30 June 2019)

Key considerations

- Increase in Cable TV, Internet and Fixed Telephony RGU as a result of Invitel's acquisition
- The increase in Internet and fixed line telephony ARPU is mainly due to the increase in prices from March 2019
- The decrease in ARPU mobile services is the result of the launch of the beta testing phase in mobile telephony services.



Highlights Spain and Italy

Revenue and Adj EBITDA

'Mil €	Three months ended June 30, % change			Six months ended June 30, % change		
	2018	2019		2018	2019	
Revenues						
Spain ¹	30.4	46.6	53.3%	57.5	87.3	51.8%
Other	6.1	5.7	(6.6%)	11.7	11.0	(6.0%)
	36.5	52.3	43.3%	69.2	98.3	42.1%
Adj EBITDA	4.9	9.0		10.2	17.7	

Subscribers

Thousand RGUs	RGUs Period Ended June 30,		Net Additions	
	2018	2019	Last 12 months	Last 3 months
Spain				
Mobile telecommunications services	1,124	1,634	510	138
Fixed internet and data	-	33	33	14
Fixed-line telephony	-	13	13	6
Italy				
Mobile telecommunications services	209	213	4	12
Total	1,333	1,893	560	170

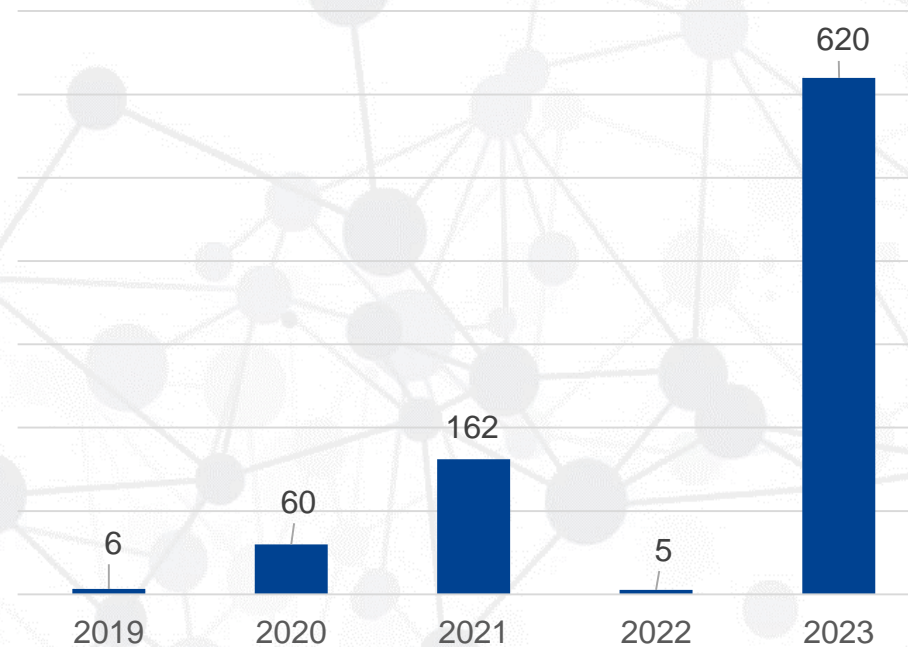
Group Financial Profile (1/2)

Financial liabilities as of June 30, 2019¹

Facility	Amount (Mil €)
Senior Secured Notes	550.0
2016 Senior Facility	222.0
2018 Senior Facility	75.0
Financial leases	8.4
Other long term debt ²	47.4
Other short term debt ³	47.6
Total gross debt	950.4
Cash on BS	16.9
Total net debt	933.5

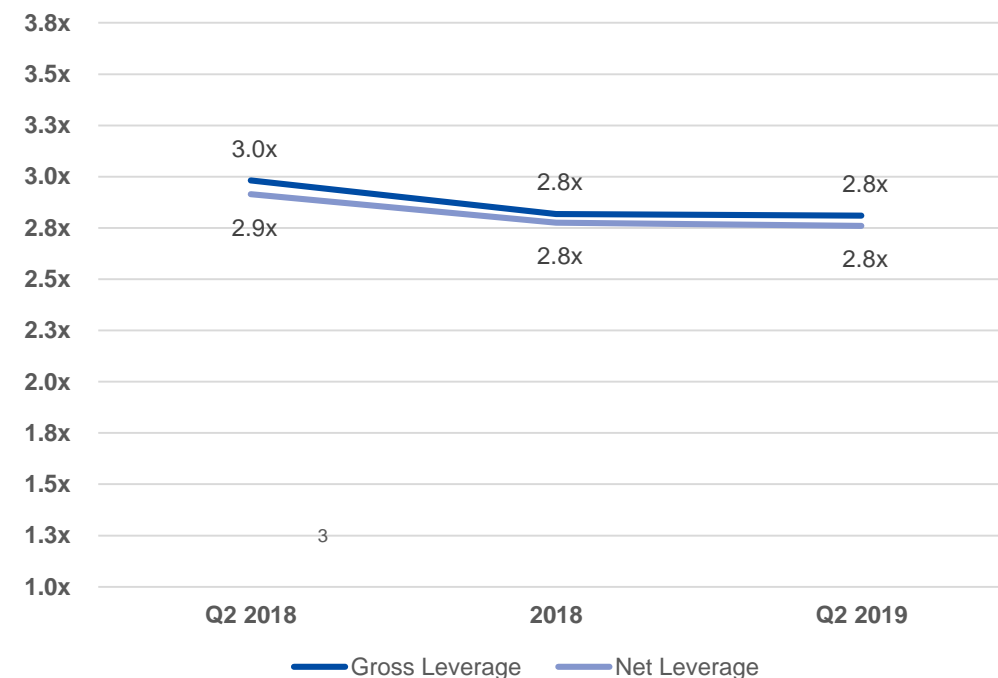
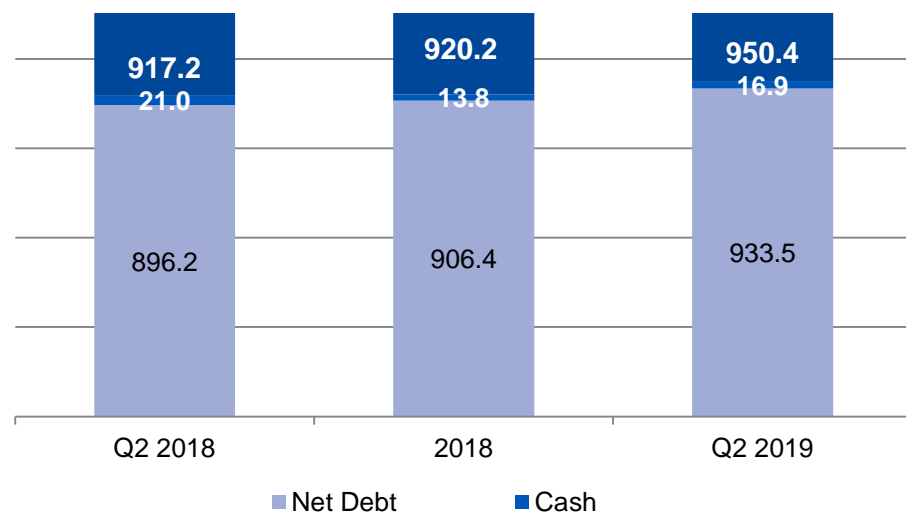
¹ Indebtedness as per Notes requirements

Maturity profile Long term loans & Notes (Mil €)²





Group Financial Profile (2/2)



Key considerations

- Total preliminary net debt¹ as of June 30, 2019 is €933.5 million
- Preliminary Net Leverage² is 2.7x and Preliminary Gross Leverage is 2.8x.

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

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

3 As per restated accounts (Condensed Consolidated Interim Financial Report for the six month period ended 30 June 2019)



Contact

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A nighttime city skyline with bokeh lights, featuring a prominent tower with blue lights and another with red lights. The background is dark with various colored lights (blue, red, white) creating a bokeh effect. The overall scene is a vibrant cityscape at night.

DIGI

Q&A