



DIGI



Investor presentation
for the period ended September 30, 2019



Disclaimer

By attending the meeting where this presentation is made, or by reading the presentation slides, you agree to be bound by the following limitations:

The information in this document has been prepared by Digi Communications N.V., (the "Company" or "DIGI") and solely for use during the presentation.

This presentation has been made to you solely for your information and background, the information contained herein may be incomplete or condensed and such information is subject to update, completion, revision and amendment and may change materially. No person is under any obligation to update or keep current the information contained in the presentation and these materials, and any opinions expressed in relation thereto, are subject to change without notice.

The industry, market and competitive position data contained in this presentation come from third party industry publications, studies and surveys believed to be reliable. However, there is no guarantee of the accuracy or completeness of such data.

This presentation does not purport to be comprehensive or to contain all of the information that an investor may require for a full analysis of the matters referred to herein. No representation or warranty (whether express or implied) is given in respect of any information in this presentation or that this presentation is suitable for the recipient's purposes. Any recipient hereof should seek its own legal, accounting and other relevant professional advice. Any liability, including in respect of direct, indirect or consequential loss or damage, of the Company (or any of its affiliates or controlling persons) relating to the information contained within this presentation is expressly excluded.

This presentation includes statements, estimates, opinions and projections with respect to anticipated future performance of the Company. Such forward-looking statements reflect current expectations based on the current business plan and various other assumptions and involve significant risks and uncertainties and should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Such forward-looking statements only speak as at the date of this presentation and the Company is not under any obligation to update or revise such forward-looking statements to reflect new events or circumstances.

This presentation contains references to certain non-IFRS financial measures and operating measures. These supplemental measures should not be viewed in isolation or as alternatives to measures of the Company's financial condition, results of operations or cash flows as presented in accordance with IFRS in its consolidated financial statements. The non-IFRS financial and operating measures used by the Company may differ from, and not be comparable to, similarly titled measures used by other companies.

The delivery of this presentation does not imply that the information herein is correct as at any time subsequent to the date hereof and the Company has no obligation whatsoever to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent subsequent to the date hereof.

This presentation does not constitute or form part of, and should not be construed as, an offer to sell or issue, or the solicitation of an offer to purchase, subscribe to or acquire, securities, or an inducement to enter into investment activity in the United States or in any other jurisdiction in which such offer, solicitation, inducement or sale would be unlawful. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

This disclaimer and the requirement for strict confidentiality shall apply without prejudice to any other confidentiality obligations to which you are subject.

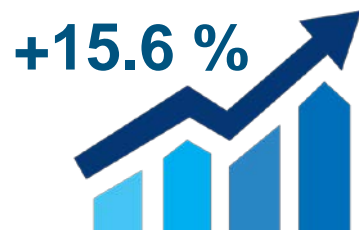


Highlights

Revenues and Adj EBITDA (excl IFRS 16) increased with ~ 16%, for 9 month period ended 30 Sept 2019 compared with the similar previous period from 2018

Revenues

EUR 874.6 million group consolidated revenues for the 9 month period ended 30 Sept 2019 (+15,6% compared with previous period)

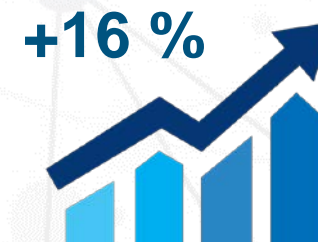


EUR 299.4 million group consolidated revenues for 3 month period ended 30 Sept 2019 (+10.9% compared with previous period)



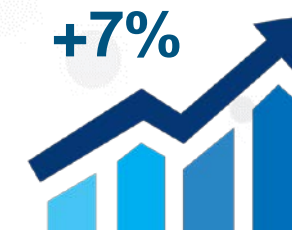
EBITDA

EUR 279.6 million Adj EBITDA (excl IFRS 16) for the 9 month period ended 30 Sept 2019 (+16% compared to previous period) and EUR 326.9 million Adj EBITDA (incl IFRS 16) for the 9 month period ended 30 Sept 2019






RGU

+ 7% RGU as at 30 Sept 2019 vs 30 Sept 2018, from 14.6 million RGU to 15.8 million





Group overview

'Mil €	 Romania	 Hungary	 Spain & Other ⁴	Total ³				
	3 months Sept 30, 2019	9 months Sept 30, 2019	3 months Sept 30, 2019	9 months Sept 30, 2019	3 months Sept 30, 2019	9 months Sept 30, 2019		
Revenues ²	€190.9 m	€559.7 m	€53.1 m	€163.6 m	€56.5 m	€154.8 m	€299.4 m	€74.6 m
Adj. EBITDA	€100.1 m	€256.1 m	€16.2 m	€41.9 m	€11.3 m	€29.0 m	€127.5 m	€26.9 m
Adj EBITDA margin¹	52.4%	45.8%	30.4%	25.6%	20.0%	18.7%	42.6%	37.4%
Impact of IFRS 16 adoption	(€14.4)m	(€30.5)m	(€7.3)m	(€15.7)m	(€0.7)m	(€1.1)m	(€22.3)m	(€47.3)m
Adj EBITDA excl IFRS 16	€85.7 m	€225.6 m	€8.9 m	€26.2 m	€10.6 m	€27.8 m	€105.2 m	€29.6 m
Margin %	44.9%	40.3%	16.7%	16.0%	18.7%	18.0%	35.1%	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 1.1 million for three month period ended September 30, 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

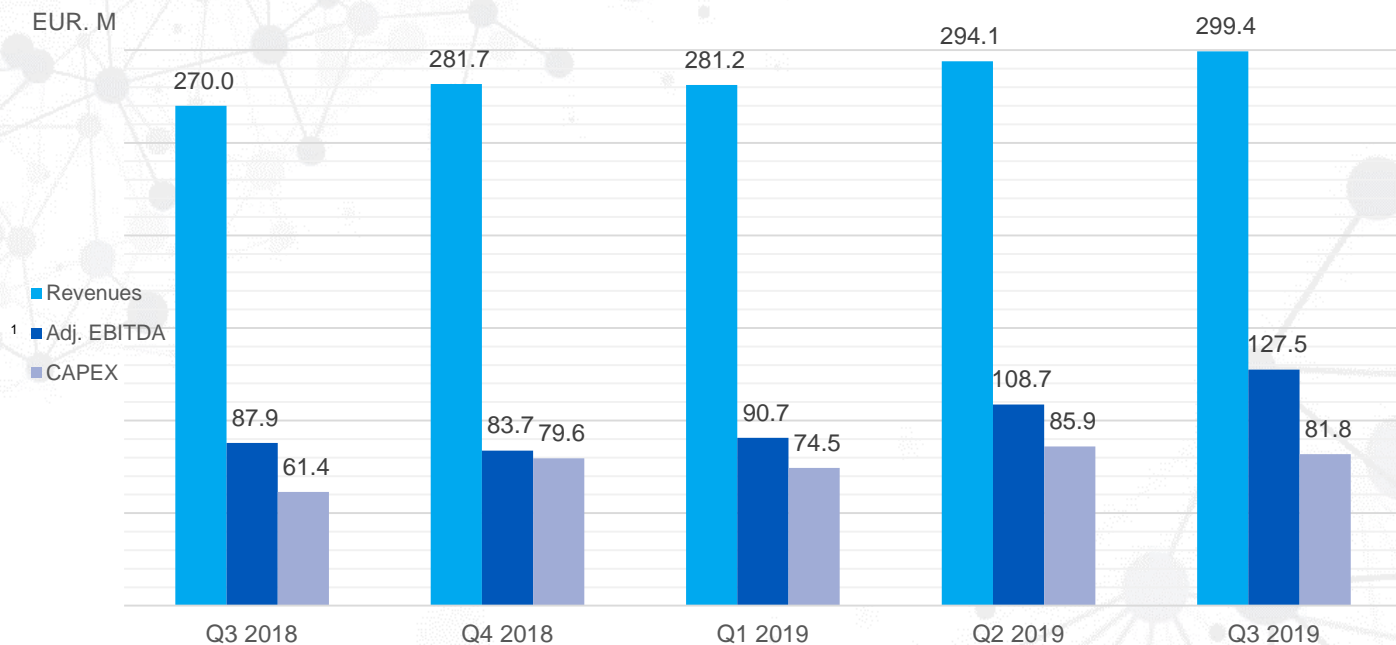
Total

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

CATV	3,523	704	-	4,227
Fixed internet and data	2,701	757	49	3,507
Mobile telecommunication services	3,396	72	1,955	5,423
Fixed-line telephony	1,112	691	19	1,822
DTH	510	275	-	785
Total RGUs	11,242	2,499	2,023	15,764

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.

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 fixed internet and data and cable TV RGUs;
- Revenues in Hungary slightly decreased mainly as a result of ARPU decrease and of the negative FX impact of the HUF depreciation in the period;
- 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 127.5 million in Q3 2019 (+55.7% compared to Q3 2018). Approximately 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 Q3 2019 was EUR 81.8 million, higher than in Q3 2018 (EUR 61.4 million) with the main utilisation being in development of networks from Romania, Hungary and Spain.



Highlights Romania (1/2)

Revenue and Adj EBITDA

Results of Operations¹

'Mil €	Three months ended		% change	Nine months ended		% change
	Sept 30, 2018	2019		Sept 30 2018	2019	
Revenues	177.5	190.9	7.5%	516.8	559.7	8.3%
Adj EBITDA	63.1	100.1	58.6%	196.7	256.1	30.2%
Margin %	35.6%	52.4%		38.1%	45.8%	
Impact of IFRS 16 adoption	-	(14.4)		-	(30.5)	
Adj EBITDA excl IFRS 16	63.1	85.7	35.8%	196.7	225.6	14.7%
Margin %	35.6%	44.9%		38.1%	40.3%	

Key considerations

- Revenue growth was driven by increase of prices starting with March 2019 and increase in our fixed internet and data and cable TV RGUs .
- Adj EBITDA and Adj EBITDA margin increased 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 Period Ended Sept 30,		Net Additions	
	2018	2019	Last 12 months	Last 3 months
Cable TV	3,234	3,523	289	76
Fixed internet and data	2,459	2,701	242	65
Mobile telecommunications services ¹	3,379	3,396	17	13
Fixed-line telephony	1,207	1,112	(95)	(21)
DTH	544	510	(34)	(7)
Total	10,823	11,242	419	126

ARPU (EUR) - residential clients

ARPU (EUR)	For the period ended Sept 30,		% change
	2018	2019	
Cable TV	5.0	5.3	6.0%
Fixed internet and data	4.8	4.8	0.0%
Mobile telecommunications services ¹	4.4	4.9	11.4%
Fixed-line telephony	1.3	1.3	0.0%
DTH	4.8	5.1	6.3%

Key considerations

- Steady growth in Internet subscribers and Cable TV
- ARPU for cable TV, mobile services and DTH in Q3 2019 increase 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

Results of Operations⁽¹⁾

'Mil €	Three months ended		% change	Nine months ended		% change
	Sept 30, 2018	Sept 30, 2019		Sept 30, 2018	Sept 30, 2019	
Revenues	54.6	53.1	-2.7%	135.0	163.6	21.2%
Adj EBITDA	11.1	16.2	45.9%	26.2	41.9	59.9%
Margin %	20.3%	30.4%		19.4%	25.6%	
Impact of IFRS 16 adoption	-	(7.3)		-	(15.7)	
Adj EBITDA excl IFRS 16	11.1	8.9	-19.8%	26.2	26.2	0.0%
Margin %	20.3%	16.7%		19.4%	16.0%	

Key considerations

- Decrease in revenue presented in EUR 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 Q3 2019 is due to the adoption of IFRS 16 starting with January 2019 and the impact of the mobile network development.

¹ Figures include Intersegment revenues

Highlights Hungary (2/2)

Subscribers

Thousand RGUs	RGUs Period Ended Sept 30,		Net Additions	
	2018	2019	Last 12 months	Last 3 months
Cable TV	685	704	19	8
Fixed internet and data	741	757	16	-
Mobile telecommunications services ¹	16	72	56	16
Fixed-line telephony	697	691	(6)	-
DTH	288	275	(13)	(1)
Total	2,427	2,499	72	23

ARPU (EUR) - residential clients

ARPU (EUR)	For the period ended Sept 30,		% change
	2018	2019	
Cable TV	8.3	7.8	(6.0%)
Fixed internet and data	7.9	8.4	6.3%
Mobile telecommunications services ¹	5.6	n/m ⁽²⁾	-
Fixed-line telephony	2.8	2.2	(21.4%)
DTH	8.9	8.6	(3.4%)

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 fixed line telephony 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 September 30, 2019 is not material.



Highlights Spain and Italy

Revenue and Adj EBITDA

'Mil €	Three months ended Sept 30, % change			Nine months ended Sept 30, % change		
	2018	2019	% change	2018	2019	% change
Revenues						
Spain ¹	33.1	50.6	52.9%	90.6	137.9	52.2%
Other	5.9	5.9	0.0%	17.6	16.9	-4.0%
	39.1	56.5	44.5%	108.2	154.8	43.1%
Adj EBITDA	7.7	11.3	46.8%	17.9	29.0	62.0%

Impact of
IFRS 16
adoption

- (0.7)

- (1.1)

**Adj EBITDA
excl IFRS 16**

7.7

10.6

37.7%

17.9

27.8

55.3%

Margin %

19.8%

18.7%

16.5%

18.0%

Subscribers

Thousand RGUs	RGUs Period Ended Sept 30,		Net Additions	
	2018	2019	Last 12 months	Last 3 months
Spain				
Mobile telecom. services ⁽²⁾	1,213	1,728	515	94
Fixed internet and data	-	49	49	16
Fixed-line telephony	-	19	19	6
Italy				
Mobile telecom. services ⁽²⁾	202	227	25	14
Total	1,415	2,023	608	130

- Stellar growth in RGUs in mobile telecommunication services in Spain (+42.5%)
- Significant increase of revenues in Q3 2019 (+52.2%)

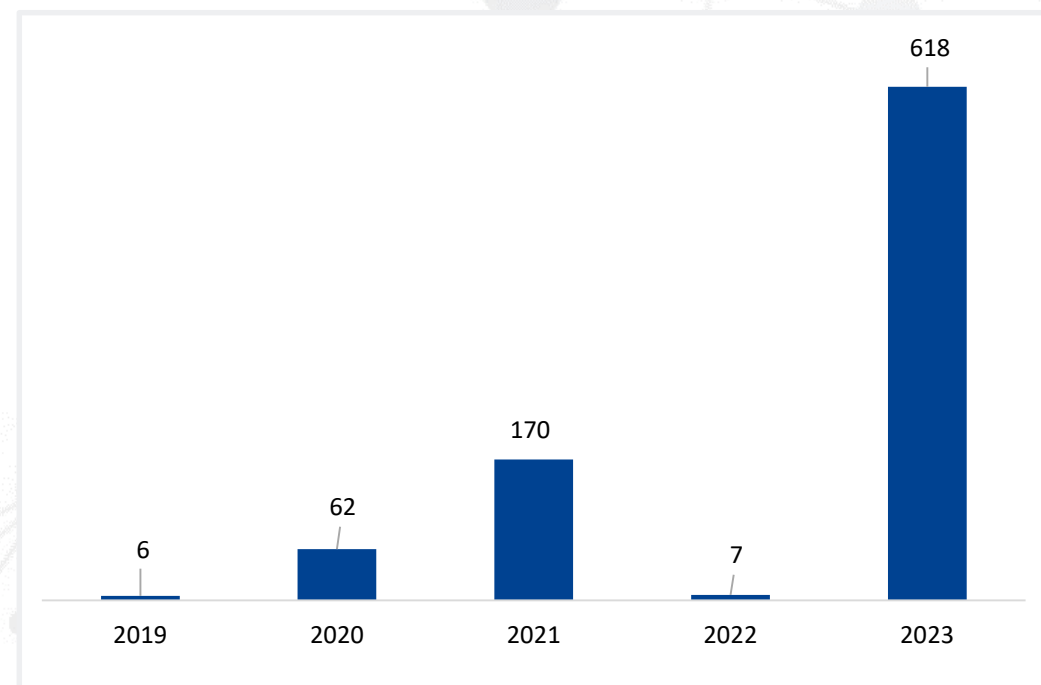


Group Financial Profile (1/2)

Financial liabilities as of Sept 30, 2019¹

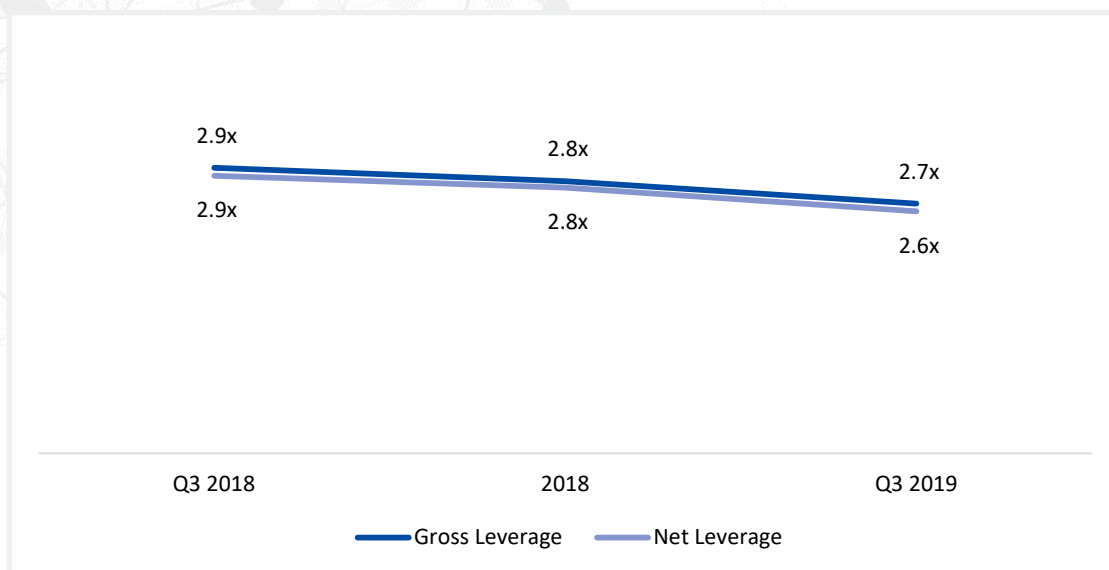
Facility	Amount (Mil €)
Senior Secured Notes	550.0
2016 Senior Facility	227.5
2018 Senior Facility	73.5
Financial leases	8.9
Other long term debt ²	57.3
Other short term debt ³	43.9
Total gross debt	961.1
Cash on BS	18.0
Total net debt	943.1

Maturity profile Long term loans & Notes (Mil €)



¹ Indebtedness as per Notes requirements. Indebtedness as per Loan Covenants include also interest accrual of €15.3 million as at Sept 30, 2019

Group Financial Profile (2/2)



Key considerations

- Total net debt¹ as of September 30, 2019 is €943.1 million
- Net Leverage² is 2.6x and Gross Leverage is 2.7x.

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.



Contact

You can find us on:

Web: www.digi-communications.ro

Email: ipo.relations@digi-communications.ro



DIGI

Q&A