

PRESS RELEASE

Bucharest, February 21, 2020

**DIGI COMMUNICATIONS N.V. FINANCIAL PRELIMINARY RESULTS
FOR THE YEAR ENDED DECEMBER 31 2019**

1,2 BILLION EUR CONSOLIDATED REVENUE AND 446 MILLION EUR EBITDA

A ROBUST FINANCIAL PERFORMANCE:

- *EUR 1,186 million consolidated group revenue in 2019, an increase of 14.2 % compared to December 31, 2018*
- *Revenue Generating Units (RGUs) rise to the highest level in the company's history to 16.1 million, across all services up by 8 % as at December 31, 2019 compared to December 31, 2018*
- *EUR 446 million adjusted EBITDA (including the impact of IFRS 16), an increase of 37.5 % compared to December 31, 2018 and EUR 380 million adjusted EBITDA (excluding the impact of IFRS 16), an increase of 17 % compared to December 31, 2018*
- *Romania remains main market for the Group, contributing 64% of consolidated group revenues. Spain - the overall "best performer" (with a + 52.6 % increase in revenues in 2019 compared to 2018)*

CONTINUOUS AND STABLE STRUCTURAL GROWTH DELIVERED

Consolidated revenues of Digi Communications N.V., the leading telecommunication group with businesses in Romania, Hungary, Spain and Italy and the parent company of RCS & RDS SA reached **EUR 1.2 billion in 2019**, it was announced on Friday, February 21, 2020 in their preliminary unaudited annual financial results. In 2019 the company increased **revenues by 14.2%** compared to 2018, from EUR 1,038.1 million to **EUR 1,186.0 million** with an adjusted EBITDA of **EUR 446 million** (including IFRS 16) representing a **37.5% rise** compared to the previous year (EUR 324.6 million at December 31, 2018). In addition, **RGUs increased by 8%**, by the year end to **16.1 million** compared to 14.9 million in December 31, 2018 and currently stand at the highest number the company has ever achieved.

Strong growth delivered by our major group business lines:

- pay-tv services (cable-tv and direct-to-home): **+ 5.4 %**, from 4.8 million RGUs to 5.1 million RGUs;
- fixed internet: **+ 9.8%**, from 3.3 million RGUs to 3.6 million RGUs;
- mobile communications services: **+ 14.5 %** from 5 million RGUs to 5.7 million RGUs;

PROGRESS BY MARKET

Romania

The group continued its positive trend in increasing RGUs in the cable-tv and internet segment, with **6.9 % increase on pay-tv RGUs** (4.1 million RGUs on December 31, 2019 versus 3.8 million RGUs on December 31, 2018) and, respectively, **9.8 % increase of the fixed internet service RGUs** (2.8 million RGUs as of December 31, 2019 compared to 2.5 million RGUs for the same period of the previous year).

The steady increase in RGUs for the main business lines was supported by a continued upgrading of the optical fiber infrastructure, mobile communications network and in improving levels of customer care.

Hungary

RGUs for the cable-TV of Digi subsidiary were **694,000 units**. In the fixed internet segment, Digi recorded **750,000 RGUs** on December 31, 2019, while the mobile communications services segment was launched in testing phase in May 2019, and had **99,000 RGUs** at the end of the year. Digi continued the process of expanding its optical fiber network and also successfully tested 5G mobile communications services in Budapest, in November.

Spain and Italy

Spain and Italy recorded a significant increase in RGUs, achieving **growth of 45 %** compared to the prior year rising to 2.2 million RGUs on December 31, 2019 from 1.5 million RGUs in December 31, 2018.

During 2019, **Digi Spain** became the second fastest growing MVNO (mobile virtual network operator) and **the fifth mobile communications operator in Spain** and marked its **11th quarter of accelerated growth**, gaining 166,000 RGUs in the last three months of the previous year.

SUSTAINABLE INVESTMENT TO DELIVER ITS FORWARD-LOOKING VISION

In line with the business strategy for growth, Digi continued to develop new projects and adopt state-of-the-art technologies to maintain its leading competitive edge in its key markets and invested a total of **EUR 318 million** in 2019 for technological developments mainly in Romania and Hungary. This included projects to expand the 4G network and 5G network roll-out in Romania, the 4G network roll-out in Hungary as well as the fiber optic infrastructure development in Romania, Hungary and Spain.

The company has continued to adopt a prudent capital and financing strategy to maintain a leverage ratio of EBITDA well below the average ratio of other cable operators in Europe. In 2019, Digi Communications NV reported a 2.6x leverage ratio. **

Serghei Bulgac, CEO Digi Communications:

“2019 was as an outstanding year for our company, in terms of growth in revenues, improved EBITDA and technological development. We are proud of our teams’ achievements – the 5G roll-out in Romania, our mobile telephony services starting in Hungary and the accelerated growth in Spain. These all demonstrate our commitment and success in delivering a better quality of services to all our clients.

The success of our latest bond issue in early 2020 was also an important achievement and confirms the confidence of the institutional investors’ in our Group. This latest bond offering took place on January 27, 2020 and set a new benchmark for a Romanian private company financing transaction. RCS & RDS, Digi’s branch in Romania, successfully priced the offering to raise €450.0 million 2.50% senior secured notes due 2025 and another €400.0 million 3.25% senior secured notes due 2028. we express our gratitude for the confirmation received from the investors and our partners.

The preliminary report is available [here](#).

About the Digi Communications N.V.

Digi Communications N.V. is the parent company of the electronic communications operator, RCS & RDS, the leader of the internet market, pay-tv and converging services in Romania, with operations in Hungary, Spain and Italy. Established over 27 years ago, the company holds almost entirely the most modern (state of the art) and extensive optical fiber network in the region, reaching 8.2 million homes passed in Romania and Hungary (September 2019).

Digi brings to the market the most affordable electronic communications services, both in fixed and mobile communications. Over time, this competitive advantage has become a benefit for millions of customers, who have thus gained faster and less expensive access to top-quality services. In Romania, the Group Digi is currently the largest private employer in the local business environment, with approximately 13,000 employees (16,500 in all markets where it operates).

The cross-media content of Digi group comprises TV stations Digi4K, the first ULTRA HD broadcasting television launched in Romania, Digi 24, DigiSport 1, 2, 3, 4, Film Now (pay-TV), Digi World, Digi Animal World, Digi Life, UTV, Music Channel and Hit Music Channel, radio stations Digi FM, ProFM, Dance FM, Chill FM and online communication platforms gathered under the umbrella DigiOnline.

Notes:

**Cumulated RGUs on the cable television segment and the DTH satellite television segment.*

*** In industry, the debt is calculated by reporting financial liabilities to EBITDA. This is the relevant indicator followed by industry and financial analysts.*