

Press Release

Bucharest, February 15, 2019

RECORD FOR DIGI COMMUNICATIONS N.V. GROUP: IN 2018 THE COMPANY HAS OVERCOME THE SYMBOLIC THRESHOLD OF 1 BILLION EUROS CONSOLIDATED REVENUE

- ***EUR 1,038.1 million consolidated group revenue in 2018, an increase of 13.3% compared to December 31, 2017***
- ***14.9 million Revenue Generating Units (RGUs), considering all services (+ 12% on December 31, 2018 as compared to December 31, 2017)***
- ***EUR 324.6 million adjusted EBITDA in 2018, raising 12.9 % over the same period of 2017***

Consolidated revenues of Digi Communications NV, the parent company of RCS & RDS SA, exceeded the 1 billion euros threshold in 2018, according to preliminary unaudited annual financial results released on Thursday, February 14, 2019. The company recorded last year an increase in revenues by 13.3% compared to 2017, from EUR 916.5 million to EUR 1,038.1 million. The adjusted EBITDA amounted to EUR 324.6 million, including the consolidated results of Invitel* (Hungary), with 12.9% progress compared to the previous year (EUR 287.5 million on December 31, 2017).

In total, on the four markets where the company operates, the group recorded an increase in revenue generating units (RGU`s) of over 1.7 million, including the RGU`s of Invitel (Hungary). Thus, in 12 months, the company reached 14.9 million RGU`s (December 31, 2018), compared with 13 million RGU`s, as at December 31, 2017.

The main segments of activity recorded, at the group level, the following evolution:

- pay-tv services** : + 9%, from 4.4 million RGU, group level to 4.8 million RGU on December 31, 2018;
- fixed internet: + 17.8%, from 2.8 million RGU to 3.3 million RGU;
- fixed telephony: +18.8% from 1.6 million RGU to 1.9 million RGU;
- mobile telephony: +11.1% from 4.5 million RGU to 5 million RGU;

EVOLUTION BY MARKET

In **Romania**, the group reported increases in the fixed-line cable and internet segment, with 5.6% progress on pay-tv RGU`s (3.8 million RGU on December 31, 2018 versus 3.6 million RGU on December 31, 2017) and, respectively, 8.7% progress of the fixed internet service RGU`s (2.5 million RGU as of December 31, 2018 compared to 2.3 million RGU for the same period of the previous year).

The steady increase of the market share for the main business lines was sustained by constant investment in the development of optical fiber network and customer care.

In **Hungary**, the revenue generating units for cable tv of Digi subsidiary (including Invitel) went up to 0.7 million units. On the fixed-line service segment, Digi recorded 0.7 million RGUs on December 31, 2018, while on the fixed-line services segment, 0.7 million RGU. Digi continues the process of expanding its optical fiber network in Hungary. For the current year, one of the major projects for this market is the successful launch of mobile telephony services.

Spain and Italy recorded a significant 36% progress of RGU's, from 1.1 million RGU on December 31, 2017 to 1.5 million RGUs on December 31, 2018. Over the past year, **Digi Spain** has positioned itself as a leader of the MVNO market (virtual mobile phone operator). The last month of the third quarter also marked the launch of fixed services on the Spanish market. The evolution of the electronic communications operator on the Spanish market has also been noted by the Spanish media, which has been pursuing for several months the progress of Digi Spain, both in terms of diversity and accessibility of offers, as well as the increase in the number of subscribers ([Cinco Dias/El Pais](#), [El Expansion](#)).

A RESPONSIBLE FINANCIAL MANAGEMENT AND SUSTAINABLE INVESTMENTS

As far as investment policy is concerned, the company continued to develop new projects and adopt state-of-the-art technologies, particularly in the field of infrastructure, allocating a CAPEX of EUR 279.3 million last year for the technology development in Romania and Hungary.

At the same time, the company continued to adopt a prudent indebtedness policy with a leverage ratio of EBITDA, lower than the average ratio of cable operators in Europe. In 2018, Digi Communications had a 2.8x debt multiple, while European competitors ranged from 3.5x to 5.5x. In industry, the debt is calculated by reporting financial liabilities to EBITDA. This is the relevant indicator followed by industry and financial analysts. The basic principle has always been to meet the company's accelerated growth needs, prioritizing projects with the highest added value and respecting the leverage limits assumed by financiers. The preliminary report is available [here](#).

Serghei Bulgac, CEO Digi Communications:

"We concluded the year with the company's most significant record - we have exceeded the symbolic threshold of 1 billion euros in revenue. In over 25 years of activity, growing organically, step by step, our company has reached a level of maturity and market relevance that we are proud of. It is the result of constant investment in technology, infrastructure and people.

The confidence vote given by the capital market and institutional investors on the success of the recent additional notes offering on Dublin Stock Exchange proves once again that our group is on a good track. We have pioneered on both technology and telecommunications domain, but also on the capital market. Since 2013 until the present, Digi has attracted more than 1 billion euros through notes offerings on international markets. It is a success for a Romanian company, an entrepreneurial initiative, in a very dynamic and competitive field.

Customers appreciate the quality of our services, whether they are in Romania, Hungary, Spain or Italy, investors believe in our projects and plans in the medium and long term, employees support us by increasing their performance. We have all that it takes to follow our business vision.

About the Digi Communications Group

Digi Communications NV 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 25 years ago, the company holds almost entirely the most modern (state of the art) and extensive optical fiber network in the region.

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 about 13,000 employees (15,000 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:

**Invitel, a Hungarian company, where the Group owns the majority stake, as of May 30, 2018.*

*** Cumulated RGU`s on the cable television segment and the DTH satellite television segment.*