



DIGI



Investor presentation

Financial Results
for quarter ended June 30, 2020



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Highlights Q2 2020



Continued Growth Profile,
overcoming pandemic economical challenges



Group

REVENUES **+5 %**

EUR 310 million group consolidated Revenues for Q2 2020 (+5% compared with previous period)

RGU **+9 %**

RGU YoY increase up to **16.9 million** (+9% compared with previous period)

EBITDA **+6 %**

EUR 95.9 million Adj EBITDA (excl IFRS 16) for Q2 2020 (flat YOY) and **EUR 115.2 million** Adj EBITDA (incl IFRS 16) for Q2 2020 (+6% YoY increase)



Romania

EBITDA

EBITDA margin **45.9%**



Spain

RGU

Continues growth path and delivers strong results
Increased contribution to total group's revenues (**21%**) & EBITDA (**12%**)



COVID-19 outbreak

Up-dates Q2

Fixed and mobile networks have been working within normal parameters, coping with the increase in traffic

Romania:

- increase of usage for fixed internet and cable TV services for residential customers in the first half of Q2 but stabilized in the second half of Q2
- receivables collectability: fluctuations at beginning of Q2, but returned close to normal business levels afterwards

Hungary

- increased usage pattern similar to the second half of the first quarter

Spain

- RGU's growth pace picked up
- distribution channels were reopened all over Spain
- operations continued to deliver strong results





Competition Council's authorization for conclusion of network operation's contracts by RCS & RDS

-On July 24, 2020, the Competition Council issued the authorisation for the economic concentration accomplished by RCS&RDS through gaining sole control over certain assets pursuant to the agreements entered into on 28 November 2019 between RCS & RDS and Digital Cable Systems S.A., AKTA Telecom S.A., respectively ATTP Telecommunicatios S.R.L.

-RCS&RDS will operate the networks of the Assignors and will provide communications services to the clients


-Commitments offered by RCS&RDS:

-The Commitments regarding the clients will be binding for a period of three years as of the date of the authorisation and they mainly refer to the undertaking made by RCS&RDS to upgrade the networks and to provide to at least 95% of the clients communications services of the same technical quality as offered to its existing customers. In addition, RCS&RDS has to offer to all customers the opportunity to benefit from the packages and prices offered by RCS&RDS to its existing customers and refrain from price increases during the three year period under review.

-The commitment regarding TV Channel providers is binding for a five-year period as of the date of the authorisation. The commitment refers to the undertaking made by RCS&RDS that, in case it does not reach a commercial agreement with any TV Channel provider for inclusion of such channel into its Basic TV Package, then it will offer the provider the possibility to carry such channel as a pay tv offering which shall be provided to customers in exchange for an additional charge. The price of such pay tv channel will be mainly determined by the TV Channel provider.



Group overview

'Mil €	 Romania		 Hungary		 Spain		 Other ⁴		Total ³	
	3m June 30, 2020	6m June 30, 2020	3m June 30, 2020	6m June 30, 2020	3m June 30, 2020	6m June 30, 2020	3m June 30, 2020	6m June 30, 2020	3m June 30, 2020	6m June 30, 2020
Revenues ²	€188.5 m	€381.7 m	€50.5 m	€102.8 m	€65.8 m	€128.5 m	€6.0 m	€12.1 m	€309.9 m	€623.0 m
Adj. EBITDA	€86.6 m	€178.0 m	€15.2 m	€26.6 m	€13.7 m	€26.1 m	(€0.3)m	(€0.9)m	€115.2 m	€229.9 m
Adj EBITDA margin¹	45.9%	46.6%	30.0%	25.9%	20.9%	20.3%	(5.5%)	(7.1%)	37.2%	36.9%
Impact of IFRS 16 adoption	(€11.6)m	(€22.8)m	(€7.0)m	(€12.4)m	(€0.7)m	(€1.4)m	(€0.0)m	(€0.1)m	(€19.3)m	(€36.6)m
Adj EBITDA excl IFRS 16	€75.0 m	€155.2 m	€8.2 m	€14.3 m	€13.0 m	€24.7 m	(€0.4)m	(€0.9)m	€95.9 m	€193.3 m
Margin %	39.8%	40.7%	16.2%	13.9%	19.8%	19.3%	(6.1%)	(7.7%)	30.9%	31.0%
RGUs(000)		11,865		2,460		2,283		245		16,853

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 Q2 2020;

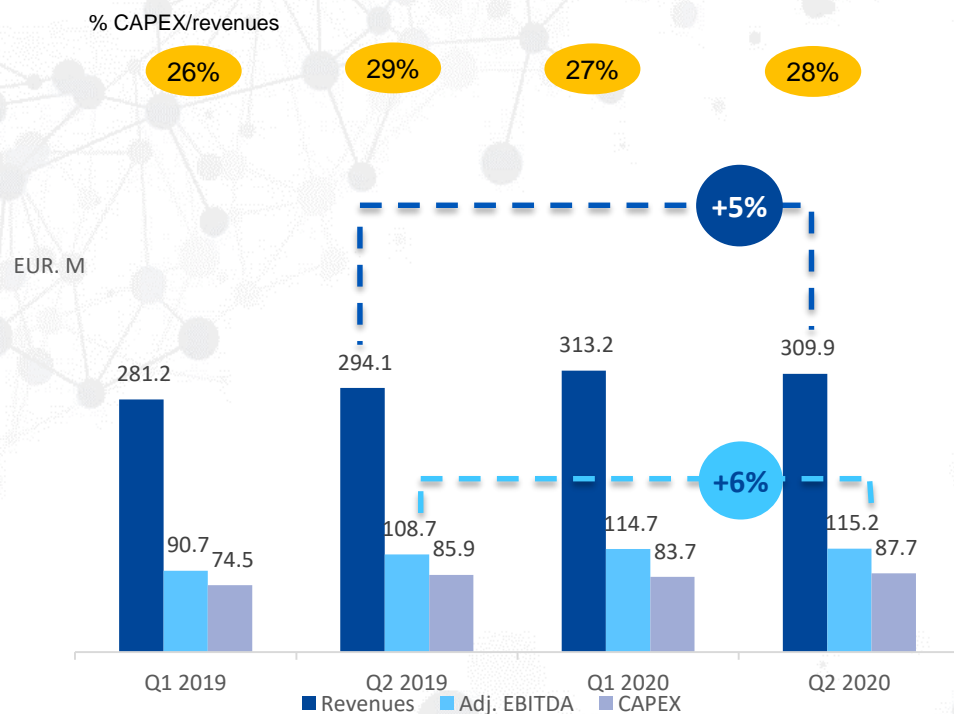
³ Total Group revenues excluding intersegment revenues;

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.

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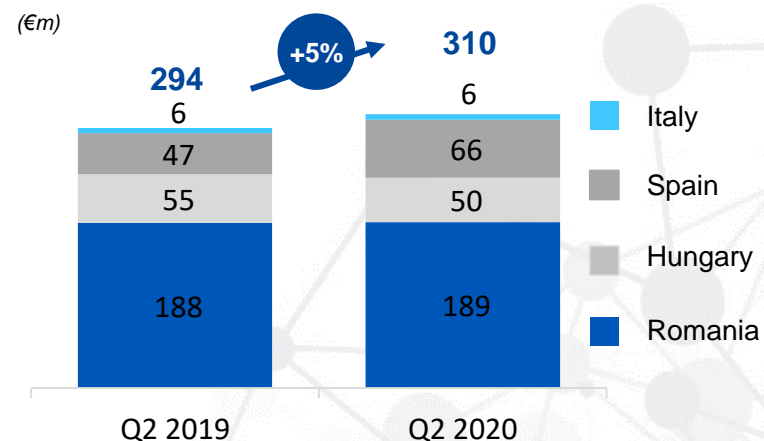
Financial highlights

Quarterly evolution

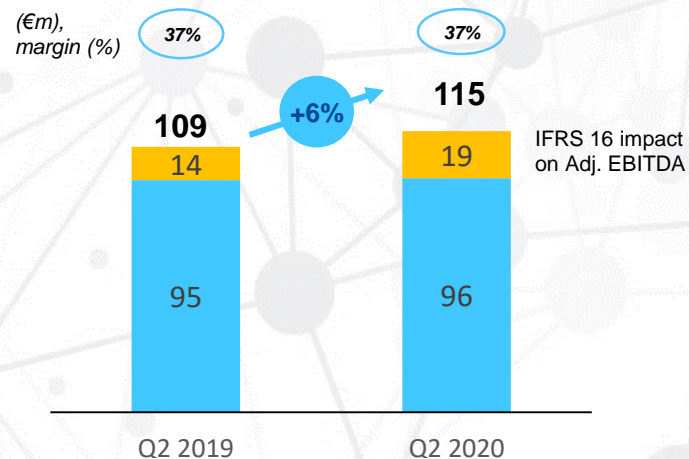


YOY

Group revenue²



Group adjusted EBITDA¹



Key considerations

- Continued growth profile, despite challenges caused by the pandemic context
- Romania and Spain continue to be main contributors to increase in Group's revenues and adj EBITDA

Source: Company data

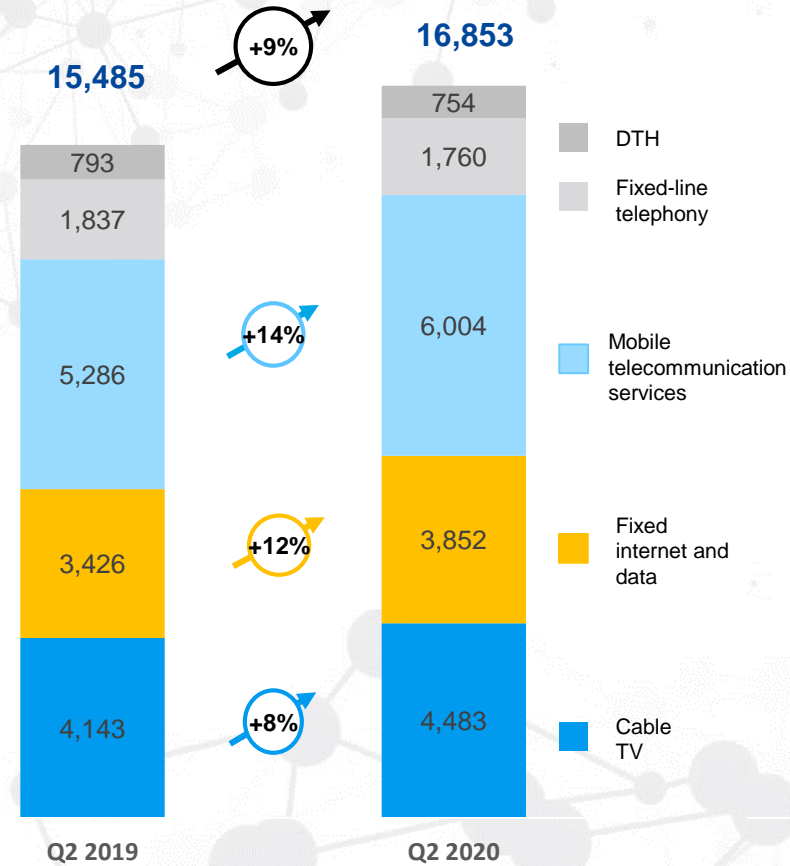
¹ EBITDA is calculated by adding back to consolidated operating profit/(loss) the charges for depreciation, amortization and impairment of assets. Adjusted EBITDA is defined as EBITDA adjusted for the effect of extraordinary or one-off/non-recurring items.

² Revenues per country include intersegment revenues in total amount of EUR 1.1 million for Q2 2020 (EUR 1.2 million for Q2 2019);

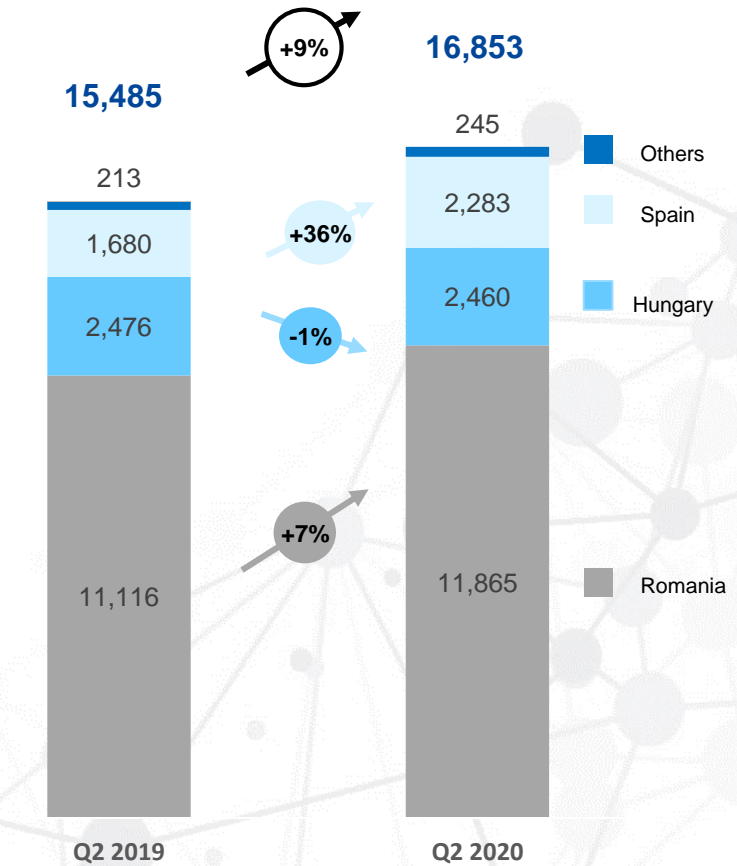


Continued growth for Group's RGUs

RGUs ('000) per business line



RGUs ('000) per country



Key considerations

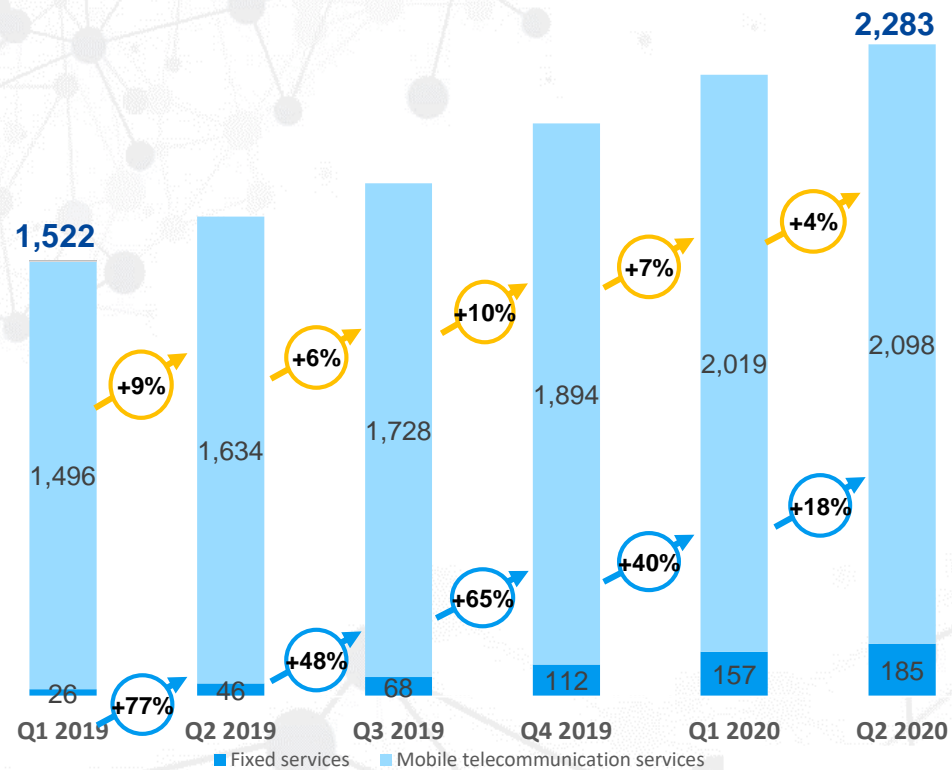
- RGU growth in fixed services in Romania
- Spain growth on all business segments



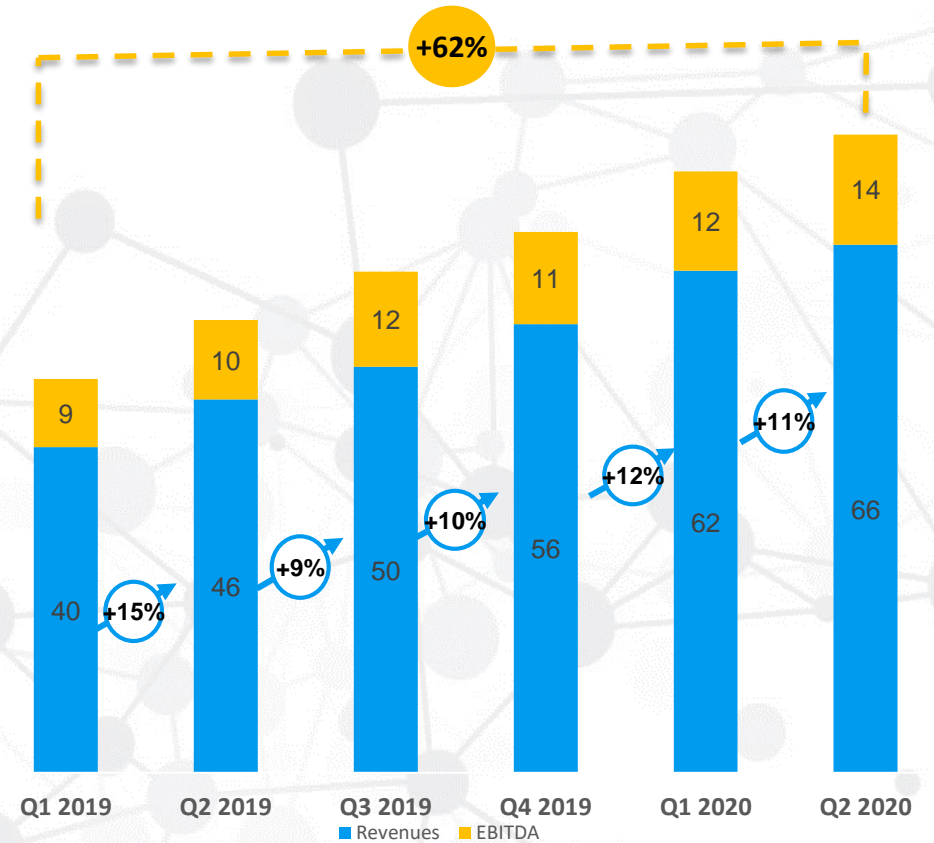
Strong sustained commercial success in Spain (1/2)

RGUs

RGU¹ (thousand)



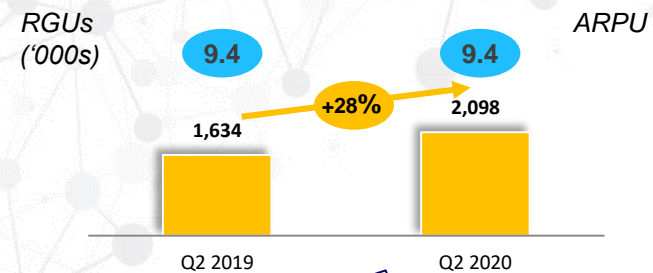
Revenues & EBITDA



Strong sustained commercial success in Spain (2/2)

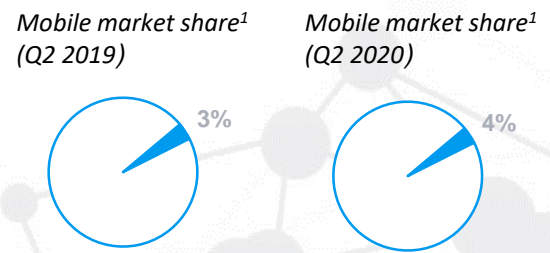
Significant growth beyond initial market niche of Romanian community in Spain and successful diversification into fixed services

Mobile

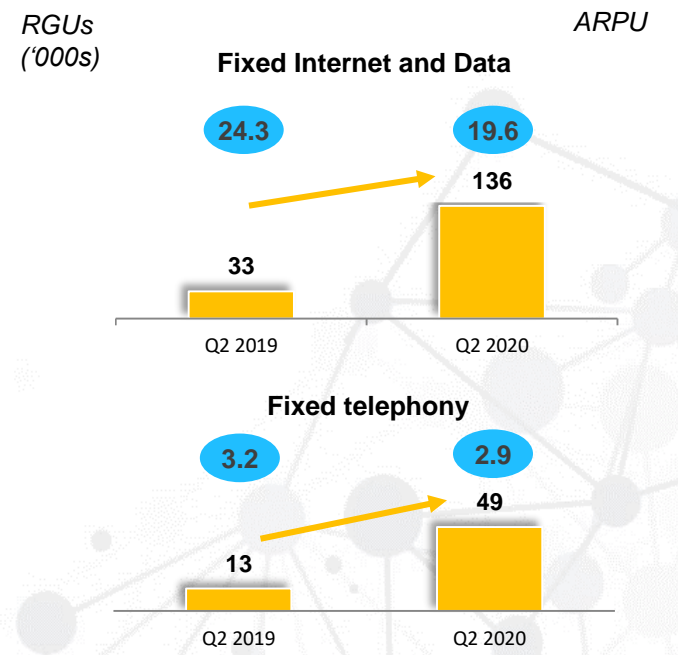


In July no 1 net gain operator for mobile number portability³

Relevant player in ~50mm market²



Fixed services



- Significant net additions growth following the expansion of footprint with 8 new provinces during Q2 2020
- Further footprint expansion planned during 2020

Critical success factors

- Constantly promoting leading value for money offerings
- Focused on developing direct distribution channel
- Vertical integrated operational model, sharing best practices from the successful Romanian model

Notes: 1. Estimated 2. Excluding Cable TV services 3. As per www.msn.com



Group Financial Profile

Financial liabilities as of June 30, 2020¹

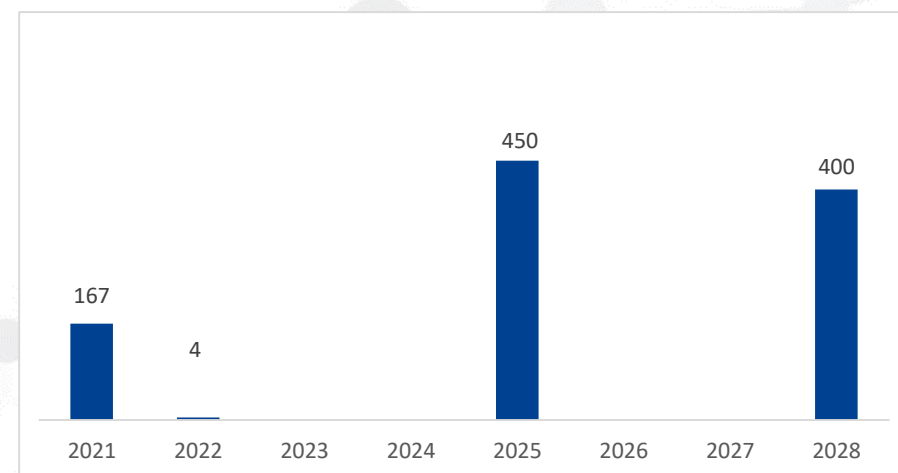
Facility	Amount (Mil €)
Senior Secured Notes	850.0
2016 Senior Facility	162.8
Other long term debt	70.1
Other short term debt	44.6
Other ²	14.3
Total gross debt	1,142
Cash on BS	87.2
Total net debt	1,054.6

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.

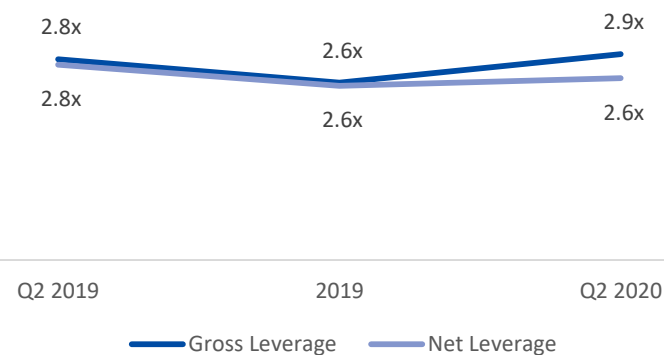
² Includes Finance lease liabilities and embedded derivative liabilities

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



Other⁴

Total

Service offering / RGUs June 30, 2020A ('000s)

CATV	3,801	682	-	-	4,483
Fixed internet and data	2,979	737	136	-	3,852
Mobile telecommunication services	3,525	136	2,098	245	6,004
Fixed-line telephony	1,061	650	49	-	1,760
DTH	499	255	-	-	754
Total RGUs	11,865	2,460	2,283	245	16,853



Highlights Romania (1/2)

Revenue and Adj EBITDA

Results of Operations¹

'Mil €	Three months ended June 30,		% change	Six months ended June 30,		% change
	2019	2020		2019	2020	
	(euro in millions)			(euro in millions)		
Revenues	187.5	188.5	0.5%	368.8	381.7	3.5%
Adj EBITDA	83.6	86.6	3.6%	156.0	178.0	14.1%
Margin %	44.6%	45.9%		42.3%	46.6%	

Key considerations

- Main contributors to revenue growth:
 - increase in our cable TV and fixed internet and data RGUs
- Main contributors to Adj EBITDA growth:
 - mainly operationally, as a result of increases in RGUs number and improved operational performance

¹ Figures include Intersegment revenues



Highlights Romania (2/2)

Subscribers

Thousand RGUs	RGUs period ended June 30,		Net Additions	
	2019	2020	Last 12 months	Last 3 months
Cable TV	3,447	3,801	354	88
Fixed internet and data	2,636	2,979	343	104
Mobile telecommunications services ¹	3,383	3,525	142	49
Fixed-line telephony	1,133	1,061	(72)	(9)
DTH	517	499	(18)	(1)
Total	11,116	11,865	749	231

ARPU (EUR) - residential clients

ARPU (EUR)	For the period ended June 30,		% change
	2019	2020	
Cable TV	5.3	5.1	(3.8%)
Fixed internet and data	4.8	4.7	(2.1%)
Mobile telecommunications services ¹	4.8	4.7	(2.1%)
Fixed-line telephony	1.3	1.4	7.7%
DTH	5.1	4.9	(3.9%)

¹⁾ Includes mobile telephony and mobile data RGUs

Key considerations

- Growth in Cable TV and Internet and data subscribers, reaching historic levels
- Fx impact on ARPU



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
	2019	2020		2019	2020	
	(euro in millions)			(euro in millions)		
Revenues	55.4	50.5	(8.8%)	110.4	102.8	(6.9%)
Adj EBITDA	16.1	15.2	(5.6%)	25.7	26.6	3.5%
Margin %	29.1%	30.0%		23.3%	25.9%	

Key considerations

Revenues

- Depreciation of 8.8% of average exchange rate (Q2 2020/Q2 2019)
- 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 & salaries

¹ Figures include Intersegment revenues



Highlights Hungary (2/2)

Subscribers

Thousand RGUs	RGUs period ended June 30,		Net Additions	
	2019	2020	Last 12 months	Last 3 months
Cable TV	696	682	(14)	(10)
Fixed internet and data	757	737	(20)	(12)
Mobile telecommunications services ¹	56	136	80	14
Fixed-line telephony	691	650	(41)	(22)
DTH	276	255	(21)	3
Total	2,476	2,460	(16)	(27)

Key considerations

- Increase in mobile RGUs
- Constant/increased ARPU in CCY for Cable TV, Internet and data, fixed telephony and DTH

ARPU (EUR) - residential clients

ARPU (EUR)	For the period ended June 30,			% change	% change CCY
	2019	2019 CCY	2020		
Cable TV	8.0	7.3	7.2	(10.0%)	(1.5%)
Fixed internet and data	8.8	8.1	8.3	(5.7%)	2.8%
Mobile telecommunications services ¹	3.7	n/m	n/m	-	-
Fixed-line telephony	2.4	2.2	2.2	(8.3%)	(2.2%)
DTH	9.1	8.3	8.5	(6.6%)	1.8%

¹ For Q2 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 Q2 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 June 30,			Six months ended June 30,		
	2019	2020	% change	2019	2020	% change
	(euro in millions)			(euro in millions)		
Revenues	46.6	65.8	41.2%	87.3	128.5	47.2%
Adj EBITDA	9.9	13.7	38.4%	18.4	26.1	41.8%
Margin %	21.3%	20.9%		21.1%	20.3%	

Key considerations

Revenues

- Pace of RGUs growth picked up in Q2

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 period ended June 30,		Net Additions	
	2019	2020	Last 12 months	Last 3 months
Fixed internet and data	33	136	103	23
Mobile telecommunications services ¹	1,634	2,098	464	79
Fixed-line telephony	13	49	36	5
Total	1,680	2,283	603	107

Key considerations

- Pace of RGUs growth picked up in Q2

ARPU (EUR) - residential clients

ARPU (EUR)	For the period ended June 30,		% change
	2019	2020	
Fixed internet and data	24.3	19.6	(19.3%)
Mobile telecommunications services	9.4	9.4	0.0%
Fixed-line telephony	3.2	2.9	(9.4%)



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