



DIGI

DIGI COMMUNICATIONS N.V.

("the Company" or "DIGI")

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Summary

1 DIGI Group Profile

2 DIGI Core Markets

3 H1/Q2 2018 Preliminary Financial Results

Summary

1 DIGI Group Profile

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Overview of Digi Communications

Q2 18 RGUs

Digi Group (excl Invitel):

13,707k

Invitel:

762k
14,469k

DIGI

100%

100%

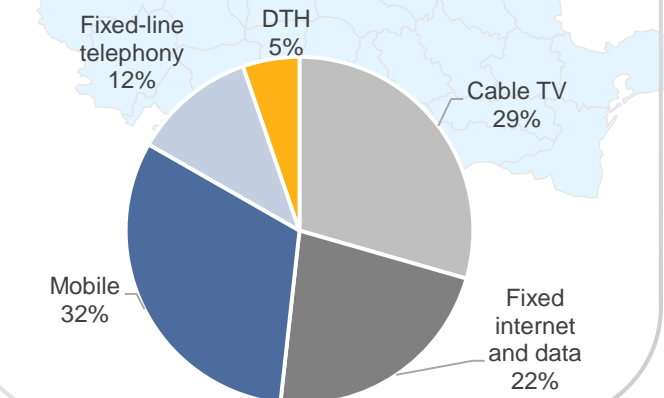
100%

Romania



Q2 18 RGUs: 10,688k

RGU breakdown (Q2 18)



Hungary

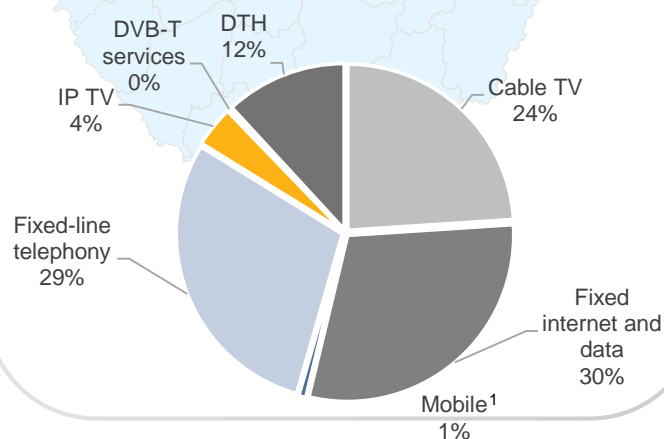


Q2 18 RGUs:

Digi HU: 1,686k

Invitel²: 762k
2,448k

RGU breakdown (Q2 18)

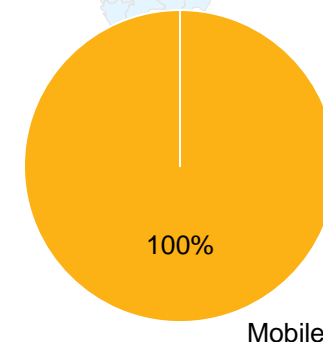


Spain & Italy



Q2 18 RGUs: 1,333k

RGU breakdown (Q2 18)



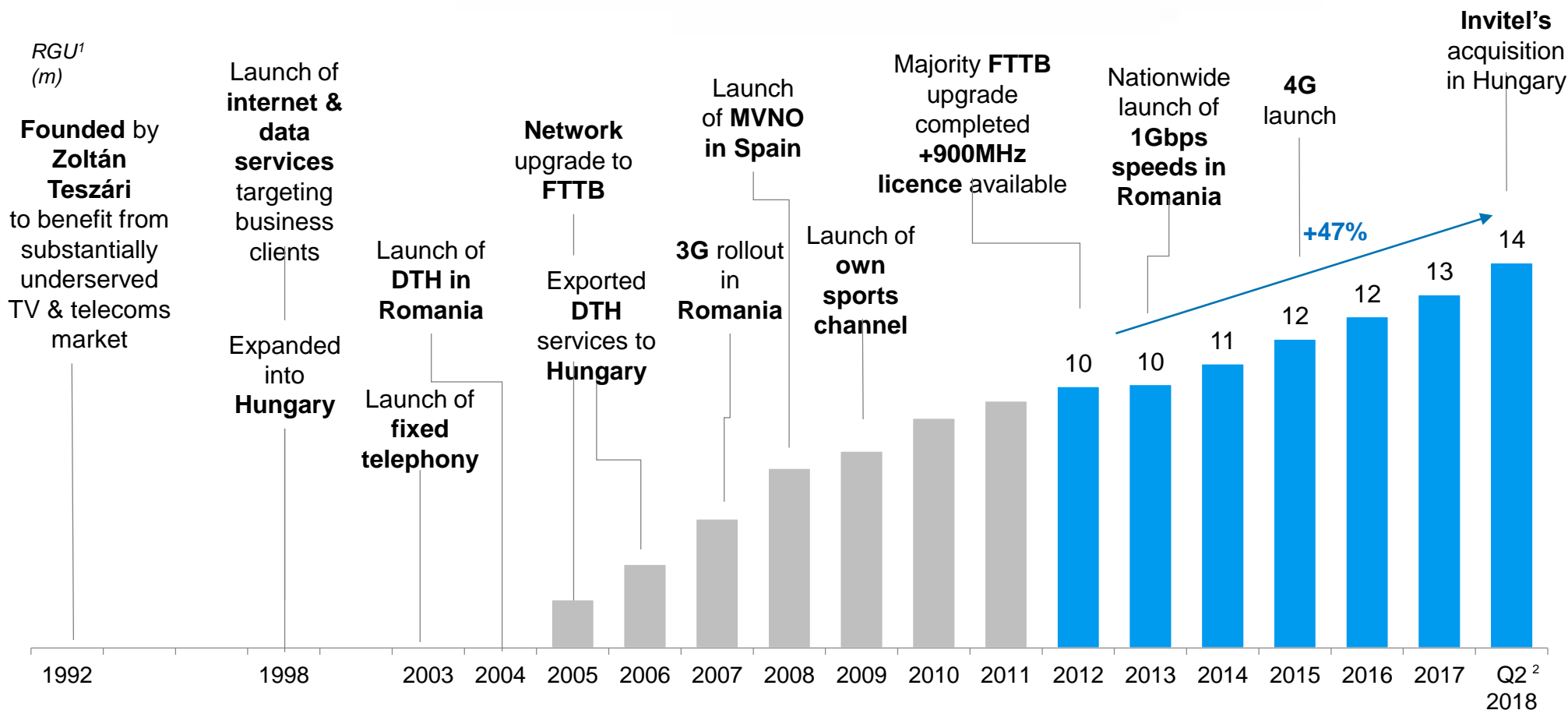
1. Resale of a Telenor mobile internet product

2. Invitel Távközlési Zrt ("Invitel"); Invitel's RGU's as at Q2 2018 are included in the graph below

Source: Company data

Long Track Record of Sustained Growth and Market Innovation

Digi history



Note: RGU numbers not available prior to 2005

1. Continuing operations only. Previously had operations in Croatia, Czech Republic, Serbia and Slovakia which were disposed of during 2013-2015

2. Including 762k Invitel's RGU as at Q2 2018

Source: Company data

Translating into Financial Performance

✓ 14m RGUs as of 30 June 18 offering cross & upsell potential

- €475.8m revenues and €153.0m Adj. EBITDA¹ for the 6 month period

(Invitel's results as per local Hungarian GAAP for the 6 month period³: €41.4m revenues and €8.0m EBITDA)

- 4.5m Pay-TV, 2.9m Internet, 1.6m Fixed tel and 4.7m mobile RGUs²

(Invitel RGUs: 0.2m Pay-TV, 0.3m Internet, 0.3m Fixed tel)

- Synergistic Romanian and Hungarian operations
- Integration of Invitel's operations in Hungary

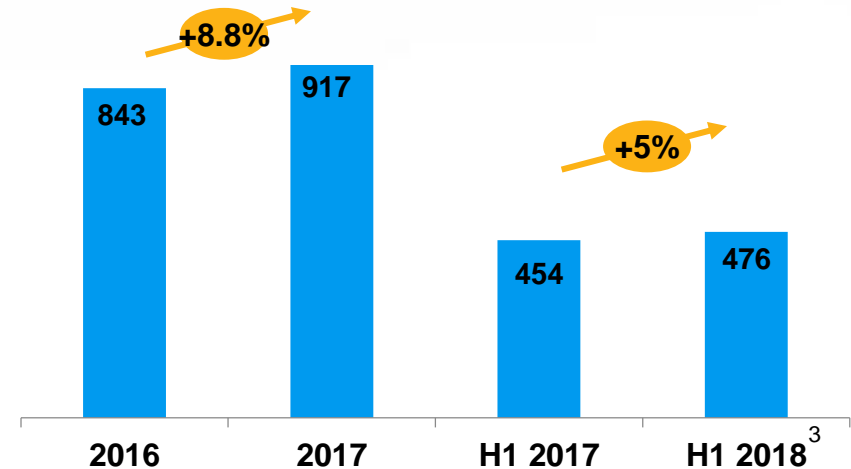
✓ Leader in Pay-TV² and Broadband Internet in Romania

- 1Gbps nationwide –one of the highest fiber share in Europe
- Premium sports & content

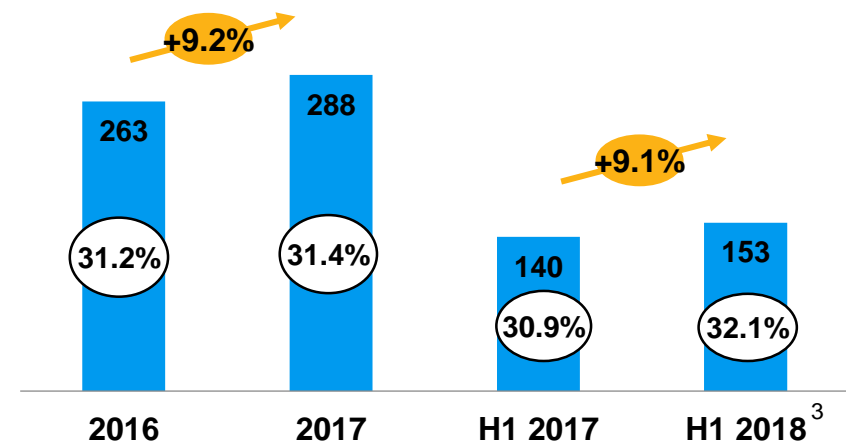
✓ Fast growing mobile provider in Romania

- Own 3G/4G network in Romania, 12% market share vs 6% in 2013
- Leading MVNO for Romanian expats in Spain and presence in Italy (over 1m RGUs)

Group Revenue (€ m)



Adjusted EBITDA ⁽¹⁾ (€ m)

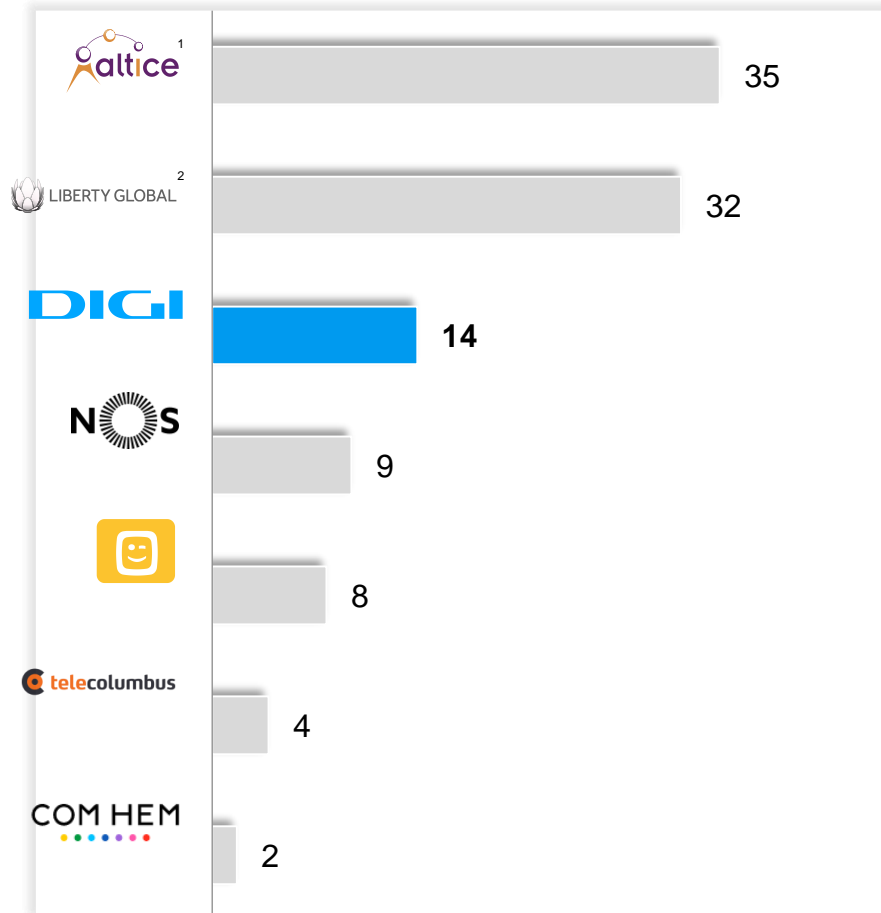


1. Adjusted EBITDA is defined as EBITDA adjusted for the effect of extraordinary or one-off items. In addition, EBITDA is adjusted for mark to market results (unrealised) from fair value assessment of energy trading contracts; 2. Pay-TV covers two of the company's reporting lines: Cable TV and DTH; internet defined in the company's reporting as Fixed Internet and Data; Mobile defined in the company's reporting as Mobile Telecommunications Services (includes both mobile voice and mobile data). Invitel also has 0.01m DBV-T RGUs as at 30 June 2018; 3. Invitel was acquired by Digi Kft on 30 May 2018; Invitel' results for 1 month ended 30 June 18 were not yet consolidated in the Group results as at 30 June 18.

European Fiber and Convergence Champion

Top 3 European operator

Total RGUs of public European cable operators,
Q2 2018 (m)



✓ Top European operator

✓ Local convergence champion

✓ State of the art fixed fiber network

Note: RGU's as at 30 June 2018, unless otherwise stated
1. Altice Europe NV; 2. Continuing operations only;
Source: Company data, Peer reporting

Summary

1 DIGI Group Profile

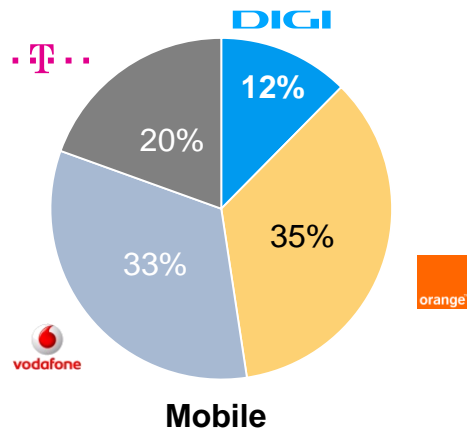
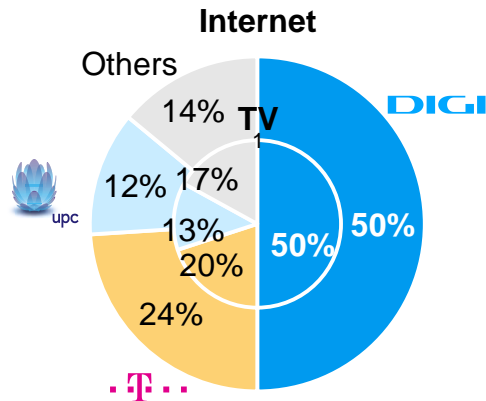
2 DIGI Core Markets

3 H1/Q2 2018 Preliminary Financial Results

Market Leader in Romanian Fiber and Challenger in Mobile

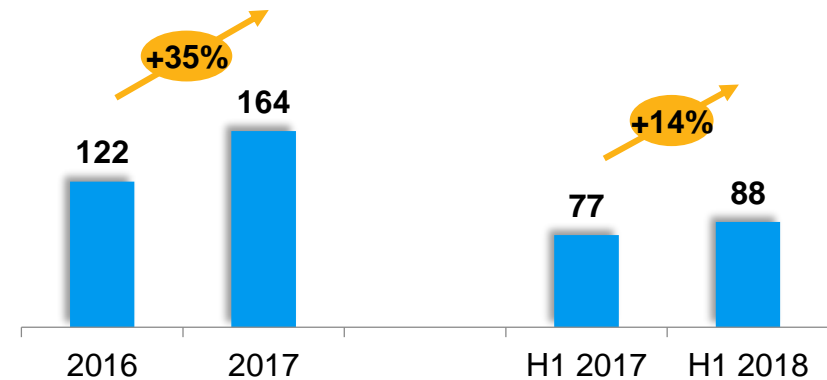
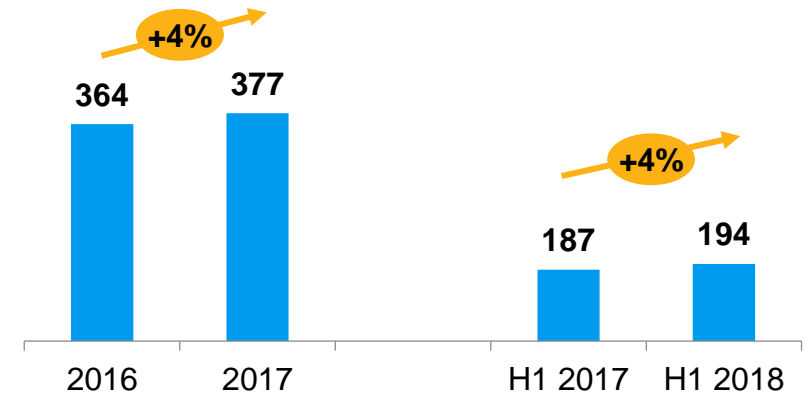
Uniquely positioned

Romanian market share estimation (RGUs, Q2 18)



2 growth pillars

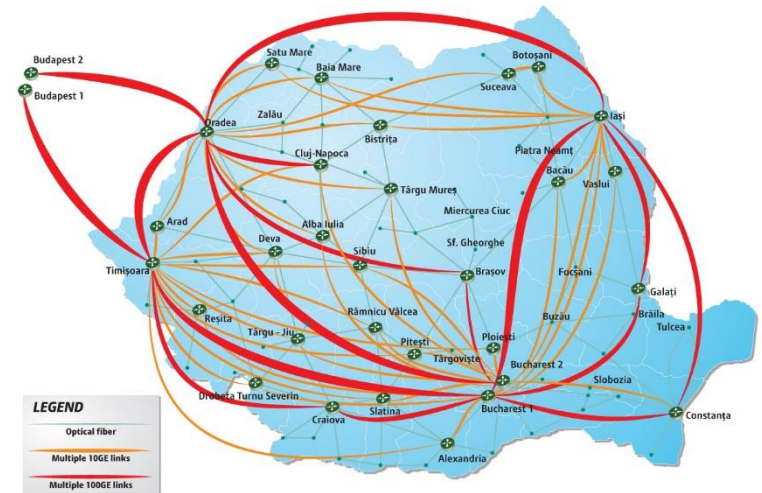
Romania revenues (€m)²



Note: Market shares are based on company and peers reported subscriber numbers as of Q2 2018 (mobile) and H2 2017 regulator data for market size (fixed). 1. Market shares include all Pay-TV technologies (including but not limited to Cable TV and DTH); 2. Revenues on the fiber network includes Cable TV, Internet & Fixed Telephony;
Source: Company data, ANCOM, Peer reporting

State-of-the-art Fiber-Based Infrastructure

- **GPON network:** high fiber share
 - Very **dense**; taking fiber into the home or its immediate vicinity
 - Early adopter of Ethernet as main technology in 2006, using GPON since 2010
 - **Nationwide last-mile 1Gbps**
 - **Multiple 100Gbps capacities** and multiple **redundancies**
- **Covers all major cities**
- Close to **100% owned** (incl. in-building)
 - All individual end users
- **Aprox €2bn invested in recent years at Group level**
 - Low maintenance capex and no large scale upgrades required (except for upgrade from FTTB to FTTH, which is currently ongoing)
- **>5m Homes passed**





Own mobile network

Newly built network in place

- **Own 3G network: ~99%¹ population coverage**
 - ~ 4,100¹ mobile towers
 - ~ 70%² of towers connected by fiber allowing high flexibility in providing high data usage per user
 - Leading equipment suppliers (Huawei, Nokia, Ericsson)
- **Successful 4G launch to promote high speeds**
 - ~ 2,500 base stations
 - Current coverage ~58% of population¹;
- **Dense fiber network ideal for potential future small cell 5G rollout**
- **Efficient set-up**
 - Synergistic use of nationwide fiber network

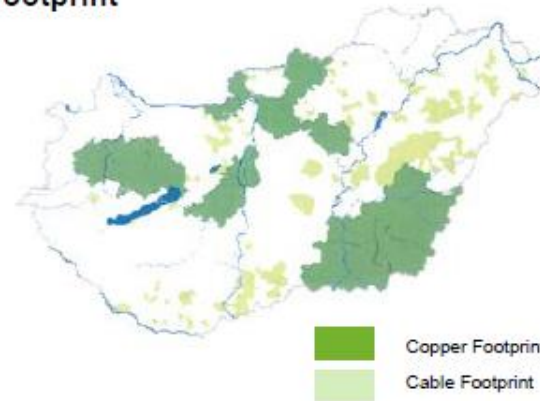


Overview of Hungarian Operations

Invitel Acquisition

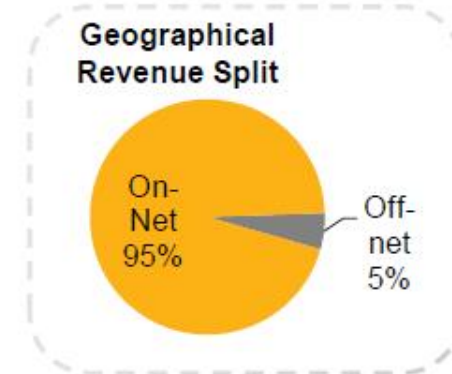
- On 21 July 2017, Digi HU, acting as purchaser, signed a share-purchase agreement to acquire close to 100% of the share capital and voting rights of Invitel Távközlési Zrt (“Invitel”)
- In May 2018 the Regulatory Authority from Hungary approved, with certain conditions, the proposed transaction and the transaction was closed on 30 May 2018.
- Total consideration paid by Digi HU to the Sellers ~ EUR 135.4 million equivalent.
- EBITDA multiple of c. 6x before any synergies (based on EBITDA as at 31 December 2016)
- Deal was fully funded with RCS and DIGI having concluded at the beginning of February 2018 a syndicated loan facility for approximately EUR 179 million equivalent with a syndicate of international banks led by Citibank and ING
- 5 years medium-term loan agreement, at a cost 2.65% per annum plus the relevant applicable interbank offered rates

Residential Revenues Generated Overwhelmingly in 1.1m HP On-net Footprint



Data As of May 2017.
Source: Company data.

Geographical Revenue Split



- Network up-grade to fiber and integration of operations is on-going

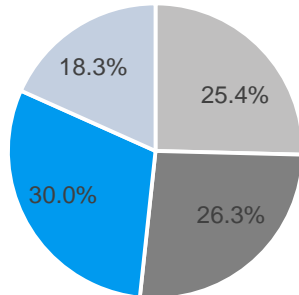


Hungary Market Overview

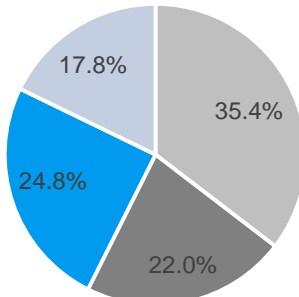
Top market position

Hungarian market share¹ (June 18)

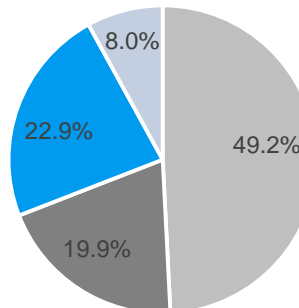
1 Cable TV



2 Fixed Int

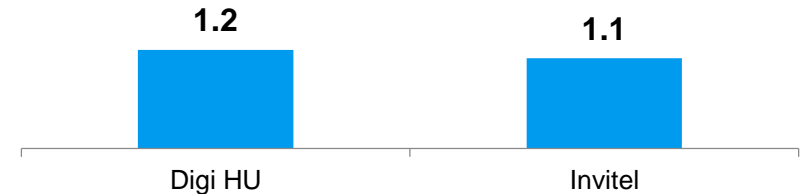


3 Fixed Tel

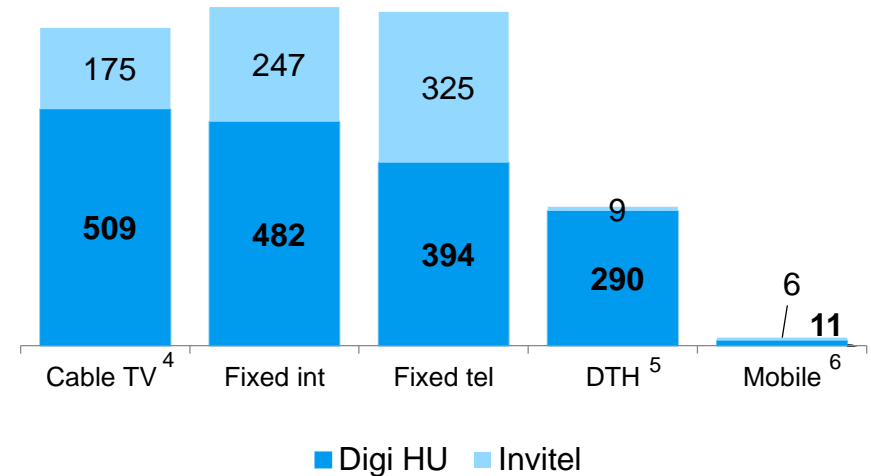


Growth pillars

Hungary Homes passed (m)²



Hungary RGU ('000)³



1. Source: NMHH; 2. Homes passed as at 31 Dec 2017; 3. RGUs as at 30 June 2018; 4. Cable TV includes IP-TV RGUs for Invitel; 5 DTH includes DBV-T RGU's for Invitel; 6. Resale of Telenor mobile products; 7. Digi includes market share for Digi Kft and Invitel
Source: Company data, NMHH

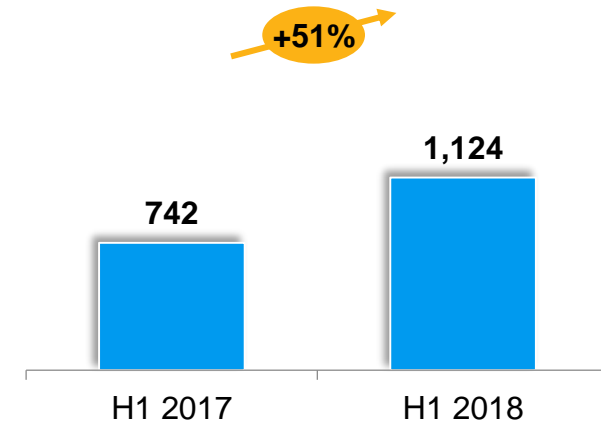
Overview of Spain and Italy Operations

Overview

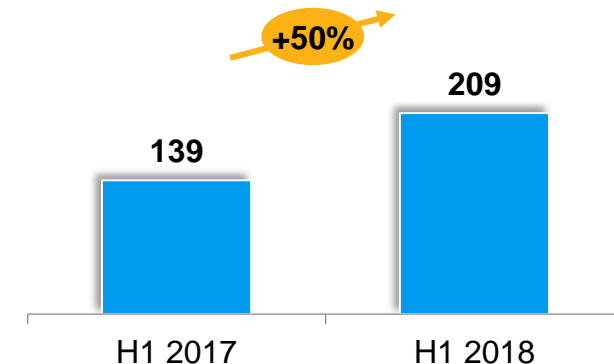
- ~2m¹ Romanian expatriates in Spain & Italy
 - Leading MVNO for phoning home
 - Well-known Digi brand
- Highly synergistic to Romanian business
 - Cross-sell Digi services in Romania
- MVNO in Spain with Telefónica and with Telecom Italia in Italy

RGU

Spain



Italy



1. Observatorio de la immigration permanente, ISTAT

Summary of Investment highlights



1 Attractive markets with structural growth

2 Market leader in pay-TV, internet and convergence

3 Advanced infrastructure: nationwide fiber and mobile network

4 Leading commercial proposition

5 Strong growth driven by diversified sources

6 Robust financial performance



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Group overview



Romania

Hungary⁵Spain & Other⁴

‘Mil €

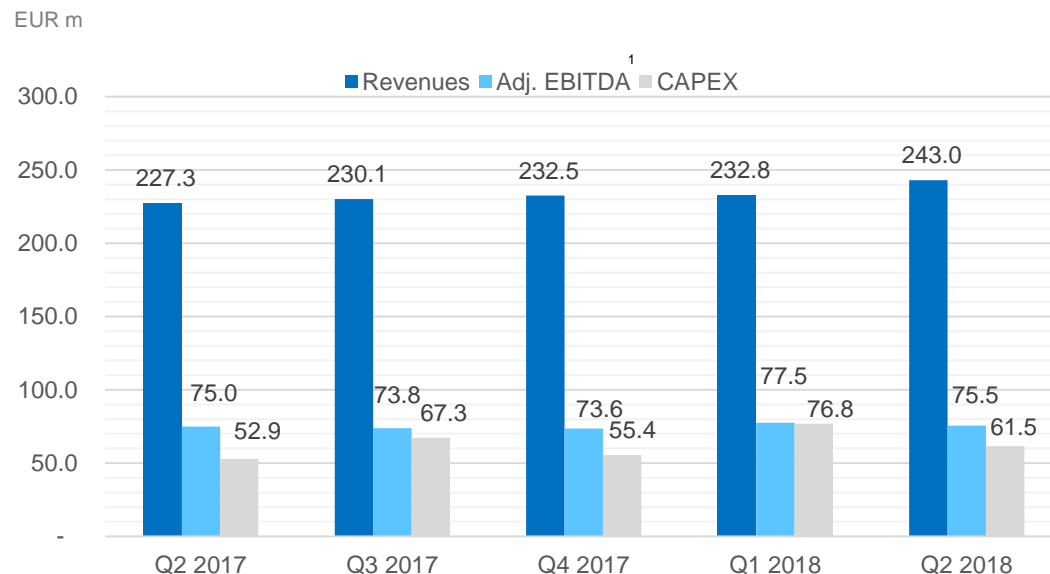
	3 months June 30, 2018	6 months June 30, 2018	3 months June 30, 2018	6 months June 30, 2018	3 months June 30, 2018	6 months June 30, 2018	Total ³ 3 months June 30, 2018	Total ³ 6 months June 30, 2018
Revenues ²	€171.2 m	€335.2 m	€36.6 m	€73.9 m	€36.5 m	€69.2 m	€243.0 m	€475.8 m
EBITDA	€65.2 m	€129.4 m	€5.4 m	€13.3 m	€4.9 m	€10.2 m	€75.5 m	€153.0 m
Adj EBITDA margin ¹	38.1%	38.6%	14.7%	18.0%	13.3%	14.7%	31.1%	32.1%

Source: Company data

¹ Adj EBITDA margin defined as Adj EBITDA / Revenues;² Revenues per country include intersegment revenues in total amount of EUR 1.3 million (for 3 mnth period)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 Company, for operating expenses.⁵ Invitel's results for 1 month ended 30 June 2018 were not yet consolidated in the Group's results as at 30 June 2018

Financial highlights

Results from continuing 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.

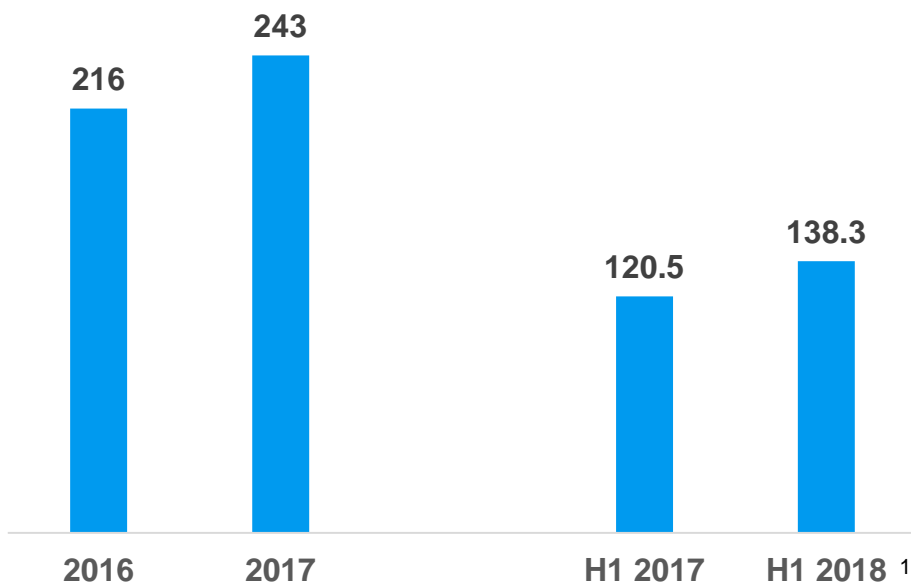
Key considerations

- Revenues in Romania variation- mainly as a result of:
 - Increase in mobile telephony ARPU.
 - Increase in our fixed internet RGUs and cable Tv
 - Decrease in Other revenues
- Revenues in Hungary variation-mainly as a result of:
 - Increase in our fixed internet RGUs and cable Tv.
 - Decrease in Other revenues
- Revenues in Spain and Other increased mainly as a result of increase in RGUs.
- Adj EBITDA¹ value was higher in Q2 2018 compared to Q2 2017, mainly as a result of increase in Adj EBITDA in Romania and Spain.
- Adj EBITDA margin decreased in Q2 2018 compared to Q2 2017 mainly due to the mobile network development in Hungary
- CAPEX for Q2 2018 was EUR 61.5 million, excluding investment in Invitel (EUR 206 million including the investment in Invitel)

Group: Capex profile

Capex

€m

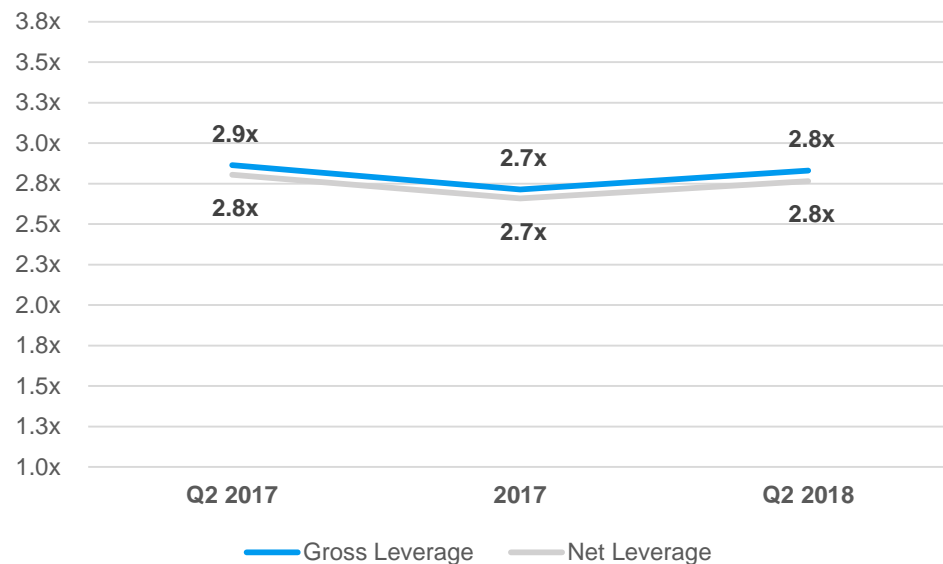


Key considerations

- **Disciplined capex approach**
 - Focused on highest value projects
 - Flexible and agnostic approach
- **Main investment projects:**
 - **Fixed** network has **largely been upgraded in Romania and Hungary**
 - Most **mobile** capex **invested in Romania**
 - Investment in **mobile** network development in **Hungary on-going**
- Some subscriber growth driven capex (SACs, CPEs)

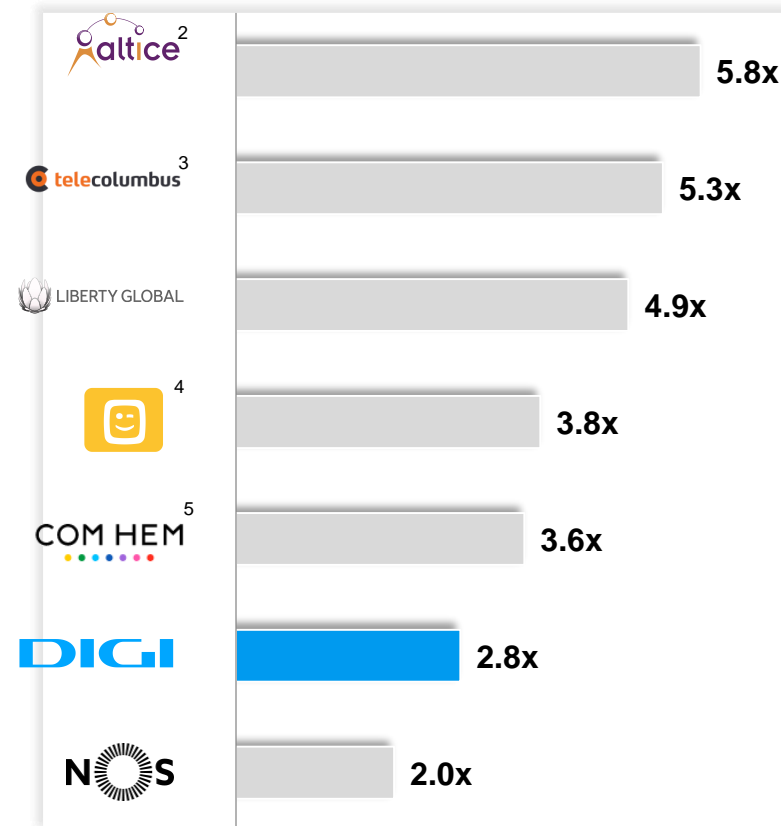
Leverage stable and conservative vs peers

Net Debt to Adj. EBITDA stable



Conservative net debt to adj. EBITDA compared to peers

Q2 2018 Net Leverage¹



¹ Defined as net debt / adj. EBITDA; ² Altice Europe N.V. Pro Forma Debt Capital Structure; ³ Leverage based on LTM Normalised EBITDA June 2018; ⁴ Consolidated Annualized EBITDA excludes certain unrealized OPEX synergies with regards to both the BASE and SFR Belux acquisitions, while Net Total Debt includes both lease-related liabilities and vendor financing-related short-term liabilities.

⁵ Net debt/Underlying EBITDA LTM;

Source: Company data and financials, Peer reporting

Contact

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 - ipo.relations@digi-communications.ro

APPENDIX



Romania: RGU & ARPU

Subscribers

Key considerations

Thousand RGUs	RGUs Period Ended June 30,		Net Additions	
	2017	2018	Last 12 months	Last 3 months
Cable TV	2,924	3,148	224	73
Fixed internet and data	2,180	2,384	204	56
Mobile telecommunications services ¹	3,381	3,367	(14)	(6)
Fixed-line telephony	1,301	1,225	(76)	(14)
DTH	618	564	(54)	(13)
Total	10,404	10,688	284	96

- Steady growth in Cable TV and Internet subscribers
- High increase in mobile telephony ARPUs primarily as a result of a certain changes in the mix of subscription packages and traffic increase

ARPU (EUR) - residential clients

ARPU (EUR)	For the period ended June 30,		% change
	2017	2018	
Cable TV	5.2	5.1	-1.9%
Fixed internet and data	5.0	4.9	-2.0%
Mobile telecommunications services ¹	4.0	4.4	10.0%
Fixed-line telephony	1.3	1.3	0.0%
DTH	4.9	4.8	-2.0%

¹ Includes mobile telephony and mobile data RGUs



Hungary (Digi HU): RGU & ARPU

Subscribers

Thousand RGUs	RGUs Period Ended June 30,		Net Additions	
	2017	2018	Last 12 months	Last 3 months
Cable TV	485	509	24	4
Fixed internet and data	447	482	35	6
Mobile telecommunications services ¹	13	11	(2)	-
Fixed-line telephony	366	394	28	7
DTH	306	290	(16)	2
Total	1,617	1,686	69	19

ARPU (EUR) - residential clients

ARPU (EUR)	For the period ended June 30,		% change
	2017	2018	
Cable TV	8.1	7.9	-2.5%
Fixed internet and data	7.6	6.9	-9.2%
Mobile telecommunications services ¹	7.1	6.8	-4.2%
Fixed-line telephony	1.5	1.4	-6.7%
DTH	9.2	9.3	1.1%

Key considerations

- Increase in Cable TV, Internet and Fixed Telephony subscribers
- Decrease in ARPU mainly due to foreign exchange impact of the depreciation of the HUF related to EUR in the reported period

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



Hungary (Invitel): RGU & ARPU

Results of Operations

	One month ended June 30, 2018
'Mil €	
Revenues	€7.0 m
Adjusted EBITDA	€2.0 m
Margin %	28.3%

- Stand-alone statutory revenues, as extracted from the statutory financial accounts prepared in accordance with the Hungarian GAAP.
- EBITDA estimated based on revenues and expenses extracted from the statutory financial accounts prepared in accordance with the Hungarian GAAP.

	RGUs Period Ended June 30, 2018
Thousand RGUs	
Cable TV	78
Fixed internet and data	253
Fixed-line telephony	325
IP TV	98
DVB-T	9
Total	762

Other Territories: RGU

Subscribers & ARPU

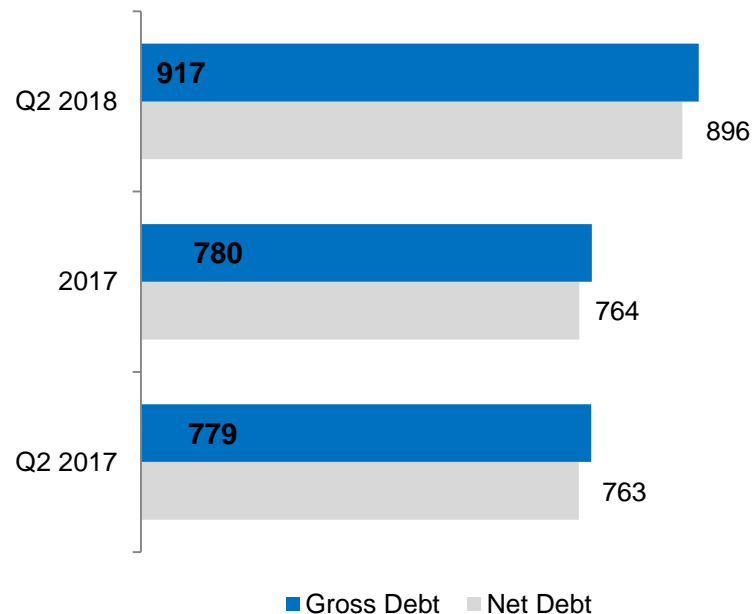
Thousand RGUs	RGUs Period Ended June 30,		Net Additions	
	2017 ¹	2018 ¹	Last 12 months	Last 3 months
Spain	742	1,124	382	124
Italy	139	209	70	14
Total	881	1,333	452	138

¹ Includes mobile telephony and mobile data RGUs

Group Financial Profile

€m

Debt structure



Key considerations

■ Total net debt¹ as of June 30, 2018 is €896 million

■ Net Leverage² is 2.8x and Gross Leverage is 2.8x.

■ For the purpose of the Financial Indebtedness and leverage computation as at 30 June 2018, as per the definitions from the Senior Facilities and Notes Indenture, we have included Invitel financial liabilities, cash and annualized EBITDA.

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. Covenant's computation for the Net Leverage from the Senior Facility uses EBITDA and Net debt which may be different from the Adjusted EBITDA and Net debt presented in this presentation.