

DIGI COMMUNICATIONS N.V.

Investors presentation

Individual Investors Forum Bucharest Stock Exchange

June, 2018

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Summary

1 DIGI Group Profile

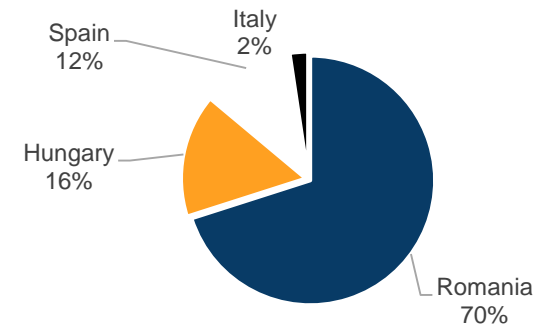
2 DIGI Core Markets

3 Q1 18 Financial Results

DIGI Group profile (1/3)

- ✓ **13.5m RGUs as of 31 March 18 offering cross & upsell potential**
- ✓
 - €232.8m revenues and €77.5m Adj. EBITDA¹
 - 4.4m Pay-TV, 2.8m Internet & 4.6m mobile RGUs²
 - Synergistic Romanian and Hungarian operations
- ✓ **Leader in Pay-TV² and Broadband Internet in Romania**
 - 1Gbps nationwide –one of the highest fiber share in Europe (approx 90% FTTB/H³)
 - Premium sports & content
- ✓ **Fast growing mobile provider in Romania**
 - Own 3G/4G network in Romania, 13% market share vs 6% in 2013
 - Leading MVNO for Romanian expats in Spain and presence in Italy
- ✓ **Convergence leader**

Revenue breakdown (Q1 2018)



Note: RGU numbers & market shares as of 31 March 2018 unless otherwise stated. 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; broadband 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); Also offers Fixed telephony (defined as Fixed-line telephony in reporting) in which it has 1.6m RGUs as 31 March 18; 3. As of 31 December 2017

DIGI Group profile (1/3)


Romania

Hungary

Spain & Other⁴

'Mil €

	3 months ended March 31, 2018	3 months ended March 31, 2018	3 months ended March 31, 2018	Total ³
Revenues ²	€164.0 m	€37.3 m	€32.7 m	€232.8 m
EBITDA	€64.2 m	€7.9 m	€5.3 m	€77.5 m
Adj EBITDA margin ¹	39.2%	21.2%	16.3%	33.3%

Service offering / RGUs March 31, 2018A ('000s)

				Total
CATV	3,075	505	-	3,580
Fixed internet and data	2,328	476	-	2,804
Mobile telecommunication services	3,373	11	1,195	4,579
Fixed-line telephony	1,239	387	-	1,626
DTH	577	288	-	865
Total RGUs	10,592	1,667	1,195	13,454

Source: Company data

¹ Adj EBITDA margin defined as Adj EBITDA / Revenues;

² Revenues per country include intersegment revenues in total amount of EUR 1.2 million;

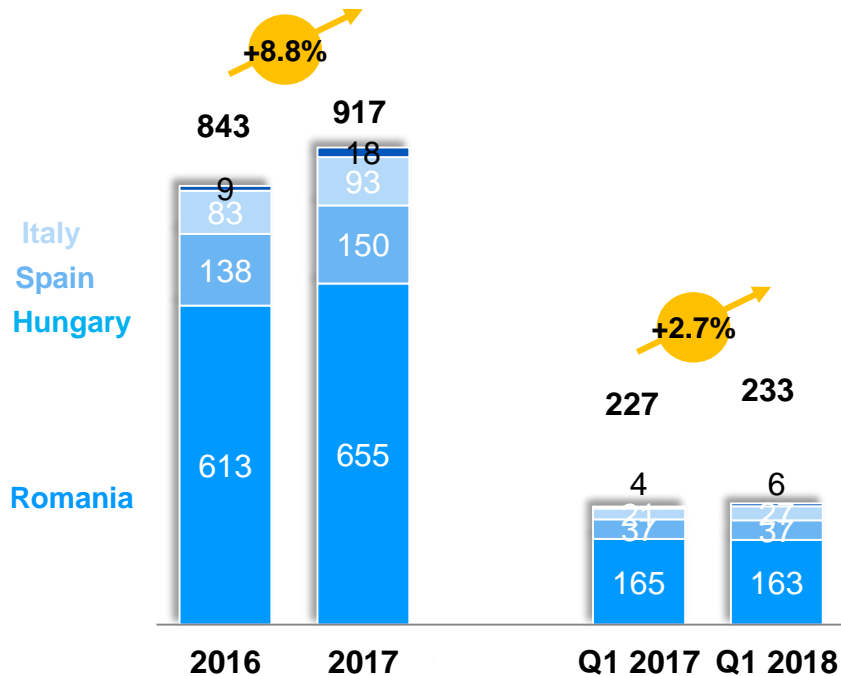
³ Total Group revenues excluding intersegment revenues;

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.

DIGI Group profile (3/3)

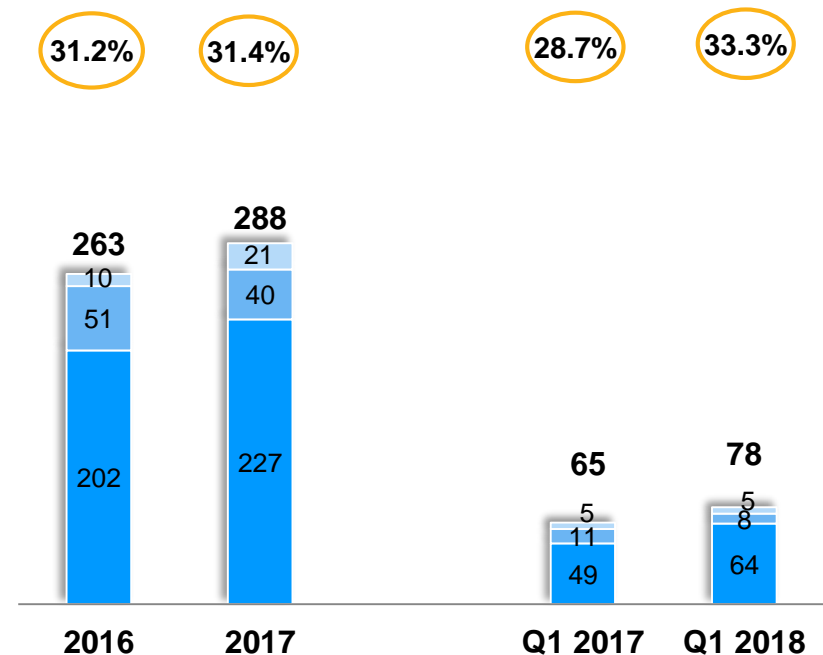
Diversified revenue growth profile

Revenue¹ by country (€m)



Stable EBITDA

(€m), Adj. EBITDA² margin



1. Continuing operations only. All revenues are post elimination of intersegment revenues; 2. 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;

Summary

1 DIGI Group Profile

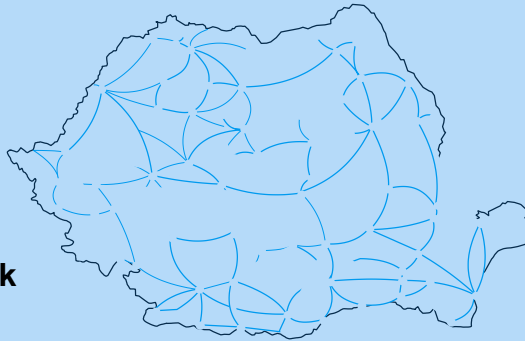
2 **DIGI Core Markets**

3 Q1 18 Financial Results

Romania: State-of-the-art Fiber-Based Infrastructure with Growing Own Mobile Network

Modern, resilient fiber-based infrastructure

- Nationwide, ~100% owned
- ~ 90% FTTB/H
- GPON Network
- 1 Gbps residential access throughout the network



Newly built own mobile network, coverage increasing

- 3G: 99% population coverage
- 4G: 58% population coverage
- ~70% towers fiber backhaul
- No legacy 2G



DTH
completing
pay-TV
coverage



Note: Mobile population coverage as at 31 March 2018; All other stats as at 31 December 2017

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

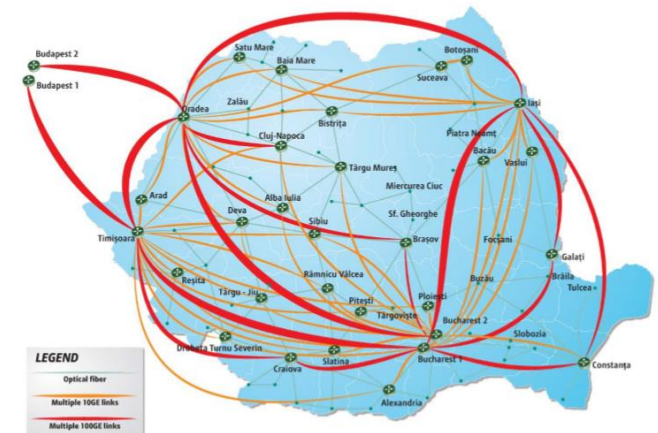
- **Covers all major cities**

- **Close to 100% owned (incl. in-building)**

- All individual end users

- **Over €1bn invested in recent years**

- Low maintenance capex and no large scale upgrades required (except for upgrade from FTTB to FTTH, which is currently ongoing)



Own Mobile Network

Newly built network in place

- **Own 3G network: ~99%¹ population coverage**
 - ~ 4,110¹ 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**
 - Current coverage ~58% of population¹
 - ~ 2,465¹ mobile towers
- **Efficient set-up**
 - No legacy 2G infrastructure
 - Synergistic use of nationwide fiber network
 - Dense fiber network ideal for potential future small cell 5G rollout



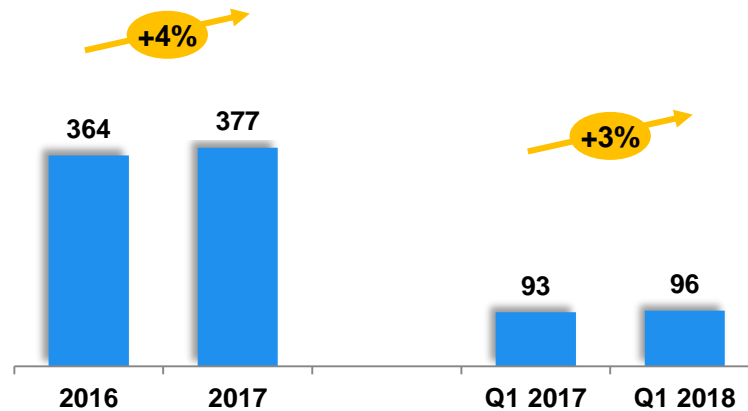


Market Leader in Romanian Fiber and Challenger in Mobile

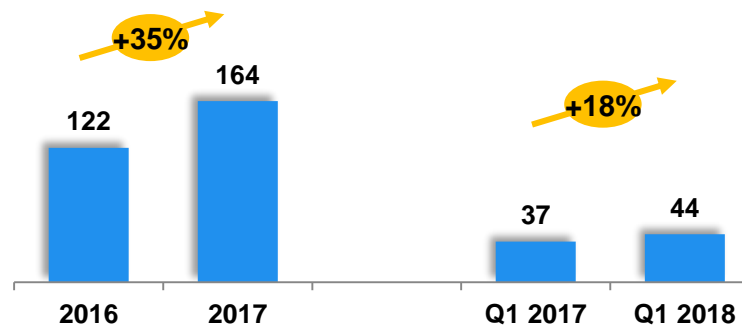
2 growth pillars

Romania revenues (€m)¹

1
Fiber
network



2
Mobile
MNO



Note: 1. Revenues on the fiber network includes Cable TV, Internet & Fixed Telephony

Hungary: Growth, benefiting from Romanian best practice

Key facts

- Entered the highly attractive Hungarian market in 1998 by acquiring cable networks in Budapest and the surrounding areas
- Subsequently replicated Romanian model building out GPON networks
 - 1.2m homes passed with FTTB/H network providing Gigabit speeds as of Dec 2017
- Efficient business model in a mature market
 - Apply same principles as Romania: value for money for high quality offering; rational build out
- Building own mobile network
 - 2 x 5MHz of 1,800MHz spectrum²

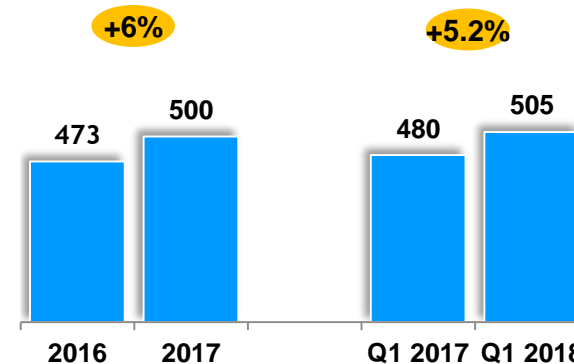


Sizeable fiber operator in Hungary

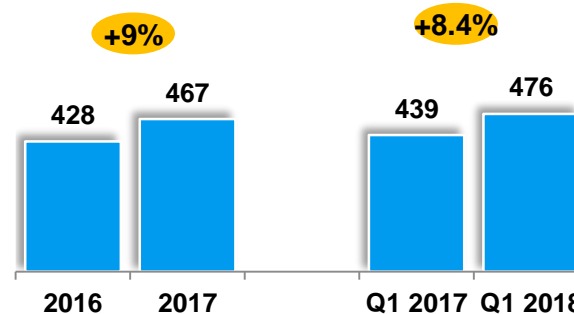
RGUs ('000)

Y-o-Y growth

Cable TV



Internet



Hungary: Acquisition

Overview of Invitel Acquisition

- On 30 May 2018 the share-purchase agreement (“SPA”) signed on 21 July 2017 between DIGI Távközlési és Szolgáltató Kft. (“Digi HU”), as the purchaser, and Ilford Holding Kft. and InviTechnocom Kft. acting as sellers, referring to the acquisition by Digi HU of shares representing in total 99.998395% of the share capital and voting rights of Invitel Távközlési Zrt. (the “Target”) was finalized.
- The total consideration paid by Digi HU to the Sellers for the acquisition of shares in the Target was of approximately EUR 135.4 million.
- Commitment undertaken by Digi HU:
 - to sell within six months the network the Target currently holds in 16 Hungarian settlements,
 - to refrain from extending the lease contracts in place with independent fixed-line telecom networks in 23 Hungarian settlements.



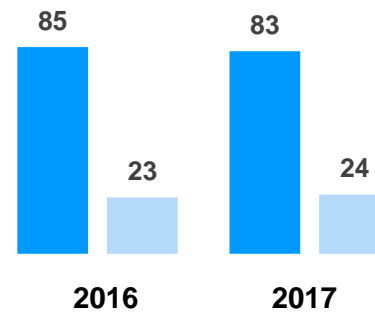
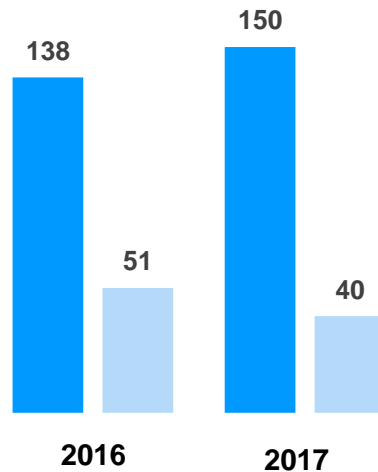
Hungary: Acquisition

Key metrics

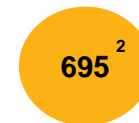
€m

*Digi HU**Invitel*

■ Revenues ■ EBITDA



RGUs ('000)



1. Data as at 31 March 2018; 2. Data as at 30 April 2018

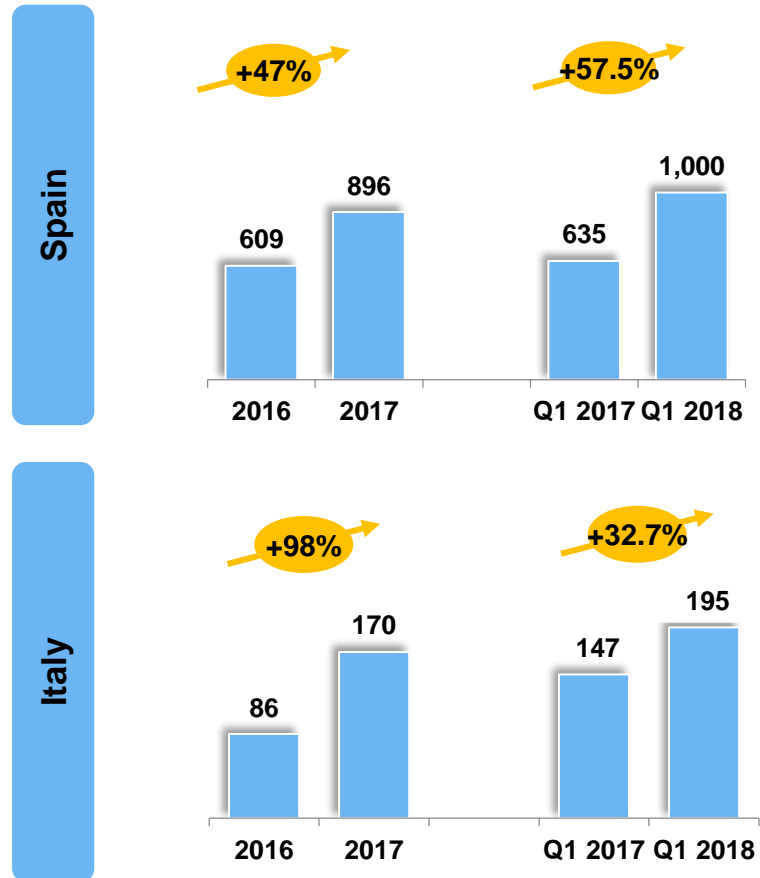
Source: Company data

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



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



Summary

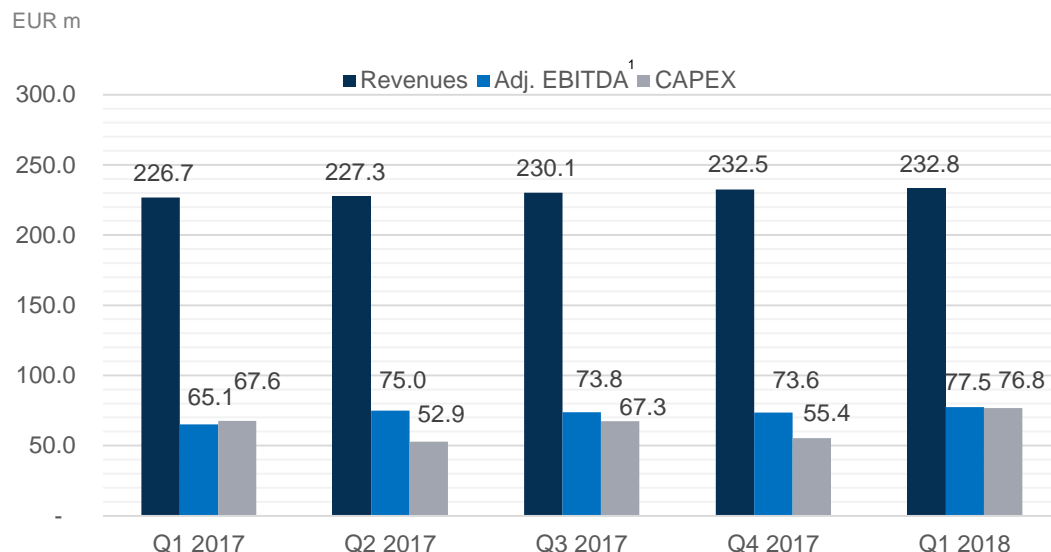
1 DIGI Group Profile

2 DIGI Core Markets

3 Q1 18 Financial Results

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 cable Tv and fixed internet RGUs.
 - Decrease in Other revenues
- **Revenues** in Hungary variation-mainly as a result of:
 - Increase in our cable Tv and fixed internet RGUs.
 - Decrease in Other revenues
- **Revenues** in Spain and Other increased mainly as a result of increase in RGUs.
- **Adj EBITDA¹** value was higher in Q1 2018 compared to Q1 2017, mainly as a result of increase in Adj EBITDA in Romania.
- **Adj EBITDA** margin increased in Q1 2018 compared to Q1 2017 mainly due to the mobile business profitability catch up and the almost neutral impact of the energy activity in the current period in Romania
- **CAPEX** for Q1 2018 was EUR 76.8 million, higher than in Q1 2017 (EUR 67.6 million) mainly due to development of mobile network in Romania and Hungary.

Highlights Romania (1/2)

Revenue and Adj EBITDA

Results of Operations¹

'Mil €	Three months ended		% change
	March 31, 2017	2018	
Revenues	165.3	164.0	-0.8%
Adjusted EBITDA	48.5	64.2	32.4%
Margin %	29.4%	39.2%	

Key considerations

- Revenue growth from the mobile telecommunication services, cable TV and fixed internet and data business lines was offset by the decrease in fixed-line telephony and DTH revenues. Other revenues decreased with 42% in Q1 2018, mainly as a result of to the changes in handset offerings, which occurred at the end of Q1 2017.
- Adj EBITDA value and margin increased in Q1 2018, mainly as a result of the mobile business profitability catch-up, and the almost neutral impact of the energy activity incurred in the reported period.

¹ Figures include Intersegment revenues

Highlights Romania (2/2)

Subscribers

Thousand RGUs	RGUs Period Ended March 31,		Net Additions	
	2017	2018	Last 12 months	Last 3 months
Cable TV	2,893	3,075	182	45
Fixed internet and data	2,149	2,328	179	44
Mobile telecommunications services ¹	3,305	3,373	68	(18)
Fixed-line telephony	1,317	1,239	(78)	(21)
DTH	626	577	(49)	(16)
Total	10,290	10,592	302	34

Key considerations

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

ARPU (EUR) - residential clients

ARPU (EUR)	For the period ended March 31,		% change
	2017	2018	
Cable TV	5.2	5.1	-1.9%
Fixed internet and data	5.0	4.9	-2.2%
Mobile telecommunications services ¹	3.8	4.3	13.5%
Fixed-line telephony	1.3	1.3	1.6%
DTH	4.9	4.8	-2.2%

¹ Includes mobile telephony and mobile data RGUs

Highlights Hungary (1/2)

Revenue and Adj EBITDA

Results of Operations

'Mil €	Three months ended March 31,		% change
	2017	2018	
Revenues	37.5	37.3	-0.5%
Adjusted EBITDA	11.5	7.9	-31.3%
Margin %	30.6%	21.2%	

Key considerations

- Revenue growth from the cable TV and fixed internet and data business lines was offset by the decrease in DTH revenues. Other revenues decreased with 13.8%.
- Decrease in Adj EBITDA and Adj EBITDA margin is mainly due to increase in salaries expenses and rent expenses for the mobile network

Highlights Hungary (2/2)

Subscribers

Thousand RGUs	RGUs Period Ended March 31,		Net Additions	
	2017	2018	Last 12 months	Last 3 months
Cable TV	480	505	25	5
Fixed internet and data	439	476	37	9
Mobile telecommunications services ¹	13	11	(2)	(1)
Fixed-line telephony	361	387	26	8
DTH	303	288	(15)	(3)
Total	1,596	1,667	71	18

Key considerations

- Increase in Cable TV, Internet and Fixed Telephony subscribers
- Decrease in Fixed-line telephony ARPU due to lower traffic and in Fixed internet and data as a result of decrease in packages prices

ARPU (EUR) - residential clients

ARPU (EUR)	For the period ended March 31,		% change
	2017	2018	
Cable TV	8.0	8.1	1.0%
Fixed internet and data	7.6	7.1	-6.2%
Mobile telecommunications services ¹	7.0	6.8	-3.0%
Fixed-line telephony	1.6	1.5	-8.0%
DTH	9.1	9.4	3.0%

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

Highlights Other Territories

Revenue and Adj EBITDA

'Mil €	Three months ended March 31,		% change
	2017	2018	
Revenues¹			
Spain	21.7	27.1	24.9%
Other	3.6	5.6	55.6%
	25.3	32.7	29.2%
Adj EBITDA	5.1	5.3	3.9%

Subscribers & ARPU

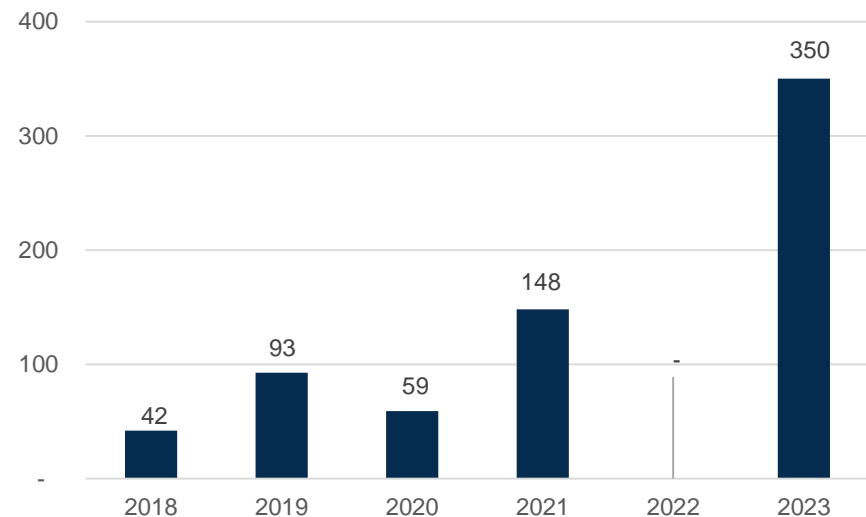
Thousand RGUs	RGUs Period Ended March 31,		Net Additions	
	2017 ²	2018 ²	Last 12 months	Last 3 months
Spain	635	1,000	365	104
Italy	147	195	48	25
Total	782	1,195	413	129

Group Financial Profile (1/2)

Financial liabilities as of March 31, 2018¹

Facility	Amount (Mil €)
2016 Senior Secured Notes	350.0
2016 Senior Facility	337.6
Financial leases	5.3
Other long term debt ²	47.7
Other short term debt ³	44.3
Hedging obligations	4.8
Total gross debt	789.7
Cash on BS	14.8
Total net debt	774.9

Maturity profile Long term loans & Notes (Mil €)

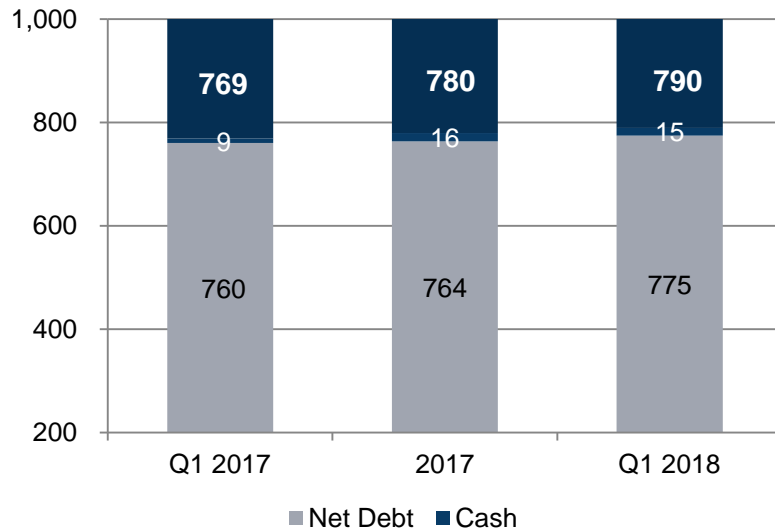


¹ Indebtedness as per Notes requirements

² Other long term debt include long term liabilities and other long term debt

³ Other short term debt include overdrafts and other short term debt

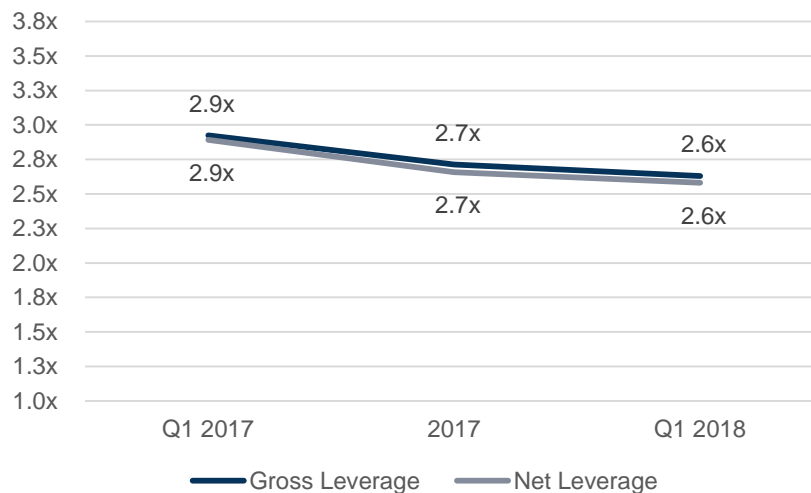
Group Financial Profile (2/2)



Key considerations

■ Total net debt¹ as of March 31, 2018 is €774.9 million

■ Net Leverage² is 2.6x and Gross Leverage is 2.6x.



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.

Contact

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Q&A