



8 September 2021

# PPF Telecom Group

## 1H2021 results

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# Meet the presenters



**Jan Tomaník**

*Investment manager of PPF Group*

*10 years experience in telco M&A*

- 
- Acquisition of Telenor CEE and subsequent structural separation
  - Structural separation of O2 and CETIN and subsequent refinancing
  - Acquisition of Telefónica O2 CR
  - Czech 4th mobile operator project



**Lukáš Kubesa**

*Financial Manager of PPF Telecom Group*

*5 years experience in telco, CETIN and PPF  
12 years in finance*

- 
- Financial Manager of PPF Telecom Group (since 2018)
  - Head of Financial reporting of CETIN (2016-2018)
  - Senior financial reporting specialist at Raiffeisenbank CZ (2012-2016)
  - Senior Audit Associate at PwC (2009-2012)

# Strong retail and infrastructure position in six markets

Market leader in CEE region (excl. Poland) with 33% retail market share<sup>1</sup>

## ► CETIN Group

### Czechia

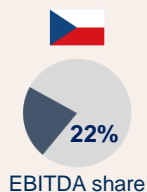
#### Fixed network

- 1.2m active lines
- 1.0m FBB<sup>6</sup> connections

#### Mobile network

##### Population coverage

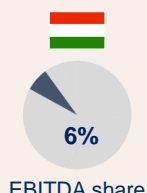
- 97% 4G
- 100% total



### Hungary

##### Population coverage

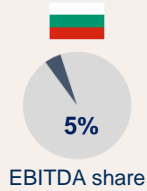
- 100% 4G
- 100% total



### Bulgaria

##### Population coverage

- 97% 4G
- 99% total



### Serbia

##### Population coverage

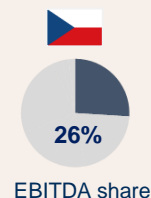
- 97% 4G
- 99% total



## O<sub>2</sub> Group

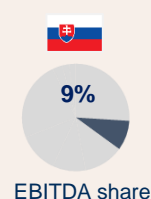
### Czechia

- 5,987k mobile subscribers<sup>3</sup>
- 35% market share<sup>1</sup>
- €11.0 ARPU<sup>4</sup>
- 869k FBB<sup>6</sup> subs



### Slovakia

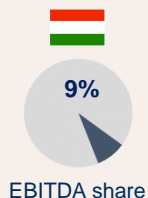
- 2,236k mobile subscribers<sup>3</sup>
- 28% market share<sup>1</sup>
- €10.7 ARPU<sup>4</sup>



## Telenor CEE

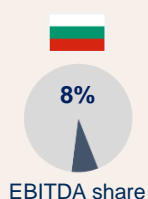
### Hungary

- 3,487k mobile subscribers<sup>3</sup>
- 29% market share<sup>1</sup>
- €12.7 ARPU<sup>4</sup>



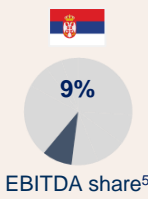
### Bulgaria

- 3,463k mobile subscribers<sup>3</sup>
- 35% market share<sup>1</sup>
- €9.4 ARPU<sup>4</sup>



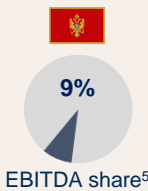
### Serbia

- 2,888k mobile subscribers<sup>3</sup>
- 40% market share<sup>1</sup>
- €9.7 ARPU<sup>4</sup>



### Montenegro

- 327k mobile subscribers<sup>3</sup>
- 30% market share<sup>1</sup>
- €9.4 ARPU<sup>4</sup>



Source: Company data, Analysys Mason

[1] Market share for the CEE region is calculated as weighted average of mobile revenue market share for countries where PPF Telecom Group is active; the source for market shares is Analysys Mason, August 2021; market shares are for 1Q2021

[2] #1 position in mobile and fixed markets combined; #1 position in fixed market, #2 position in mobile market

[3] Including M2M subscribers; O2 CR pre-paid subscribers reported using 13 months active criterion, O2 SR and Telenor 3 months active

[4] ARPU is calculated according to IAS 18; O2 CZ ARPU is calculated by PPF Telecom Group using publicly available data according to IFRS15

[5] EBITDA share for Serbia and Montenegro is reported on a consolidated basis

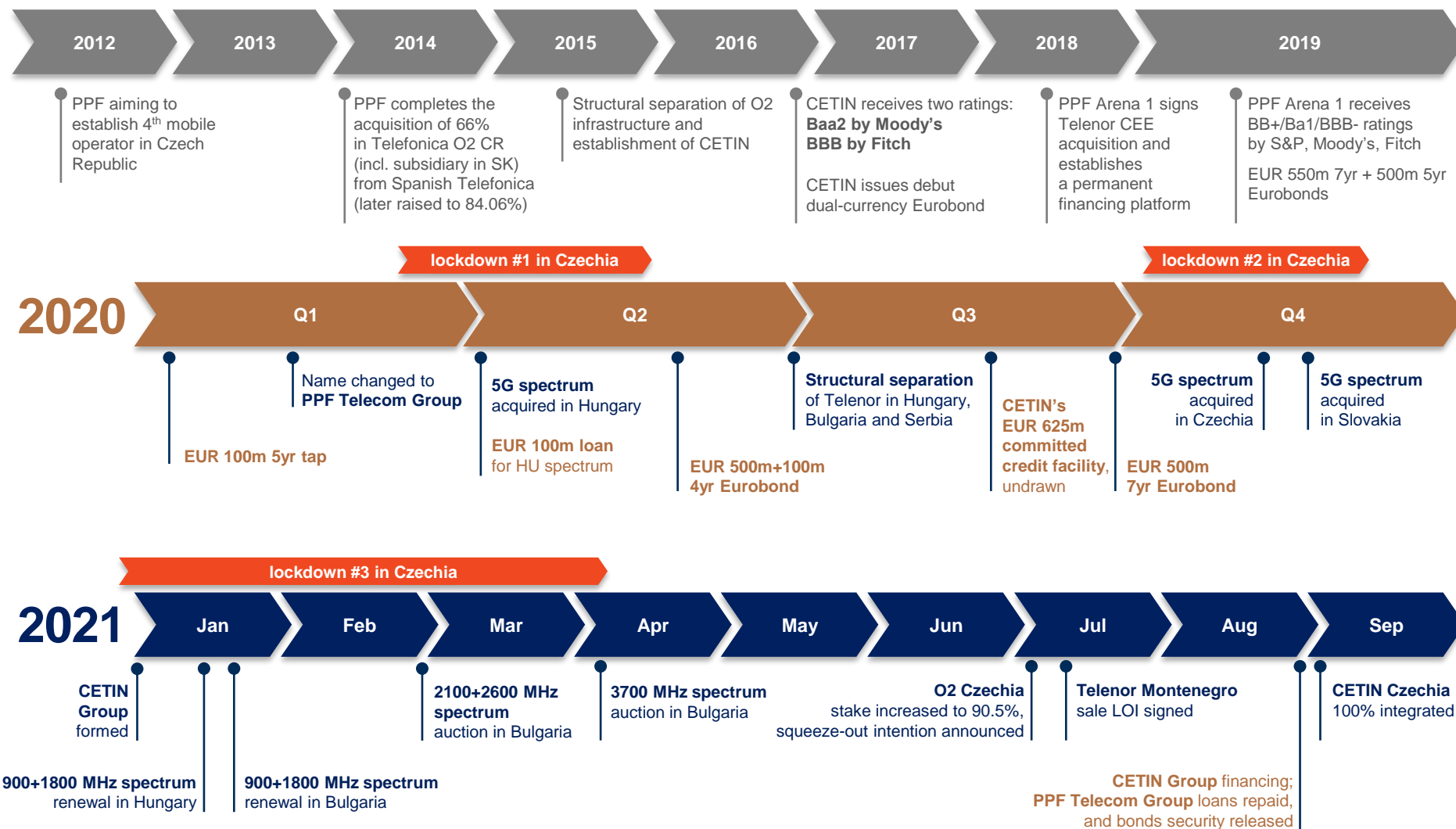
[6] Fixed broadband

# PPF track record in telecom and 2021 achievements

O<sub>2</sub>

► CETIN

Telenor CEE



# Key highlights of 1H2021 results

## Catch-up in financial growth

### 1 Stable markets and 5G rollout

- New 5G spectrum acquired in Bulgaria
- 5G frequencies now available in four countries and 5G network rollout has started
- Stable markets and competitive landscape preserved
- Aftermath of Czech 5G auction still possible as three challengers became entitled to national roaming

**18.4m**  
mobile subscribers<sup>1</sup>  
**+2.2% yoy**  
contract subscribers

### 2 Good financial performance

- OpCos delivered EBITDA and cash flows despite lockdowns from January to April
- All countries positively contributed to EBITDA growth
- Catch-up in EBITDA momentum in 1H after growth deceleration in 2020
- FX tailwind in Czech Republic and headwind in Hungary

**+8.4%**  
EBITDA  
y-o-y

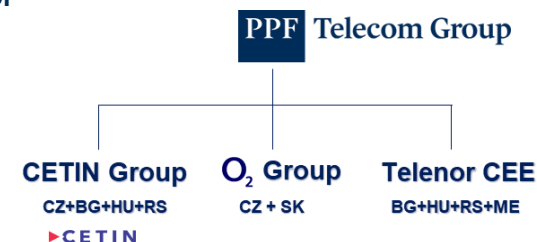
### 3 Debt structure changes

- PPF Telecom Group bank loans refinanced by new term and RCF facilities at CETIN Group level
- Security removed from PPF Telecom Group bonds
- Maturity of debt profile extended
- Committed to the declared financial policy below 3.2x

**Rating  
unchanged**

### 4 Corporate structure simplification

- Sustainable operating model with consolidated infrastructure since CETIN Group established in Dec 2020
- 100% ownership of Czech CETIN and O2 targeted
- Minority investor(s) for CETIN Group under consideration

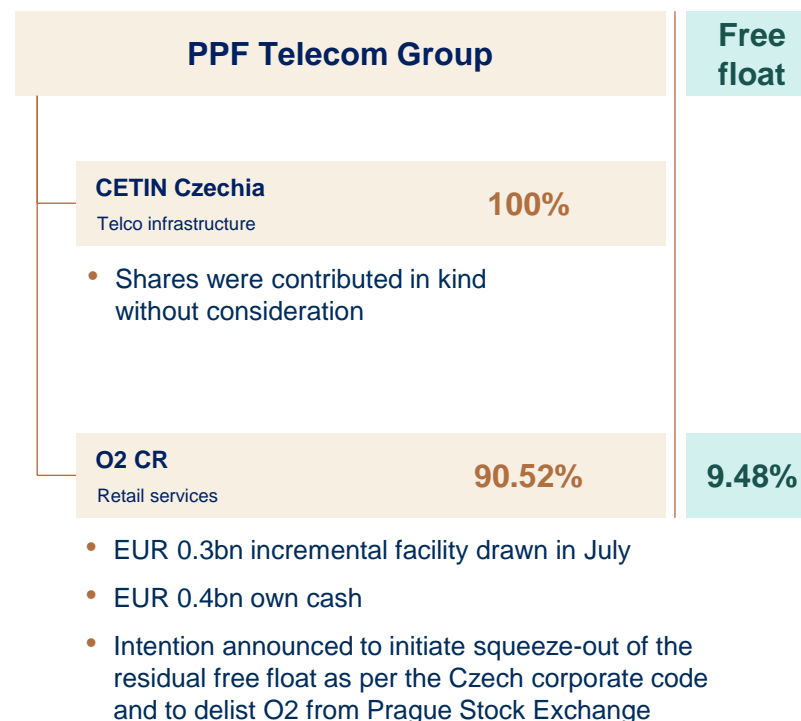
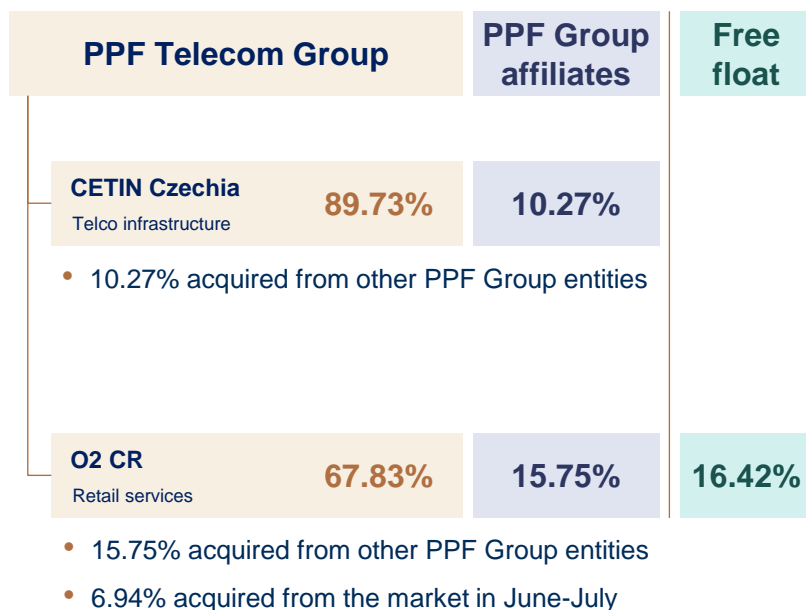


# Corporate structure changes

Ownership in CETIN Czechia consolidated and in O2 increased to 90.5%

DECEMBER 2020

SEPTEMBER 2021



Although already fully consolidated in PPF Telecom Group accounts, pro-forma proportional 2020 EBITDA attributable to the acquired stakes corresponds to c. EUR 150m (c. EUR 200m after squeeze-out)

Amounts in CZK converted to EUR with EUR/CZK 25.5 exchange rate

Source: PPF Telecom Group internal data, PPF Telecom Group 1H2021 unaudited consolidated financial statements

# Financing structure changes

New financing at CETIN Group level, within the existing financial policy

DECEMBER 2020			SEPTEMBER 2021			COMMENTARY
in EURm			in EURm			
<b>PPF Telecom Group B.V.</b>	<b>4,200</b>	<b>+279m</b>	<b>PPF Telecom Group B.V.</b>	<b>4,479</b>		As of 1 Sep 2021, PPF Telecom Group has repaid c. EUR 852m of bank loan, o/w c. eq. EUR 546m was the original loan balance and eq. EUR 306m was incremental facility drawn in Jul 2021 to finance O2 shares purchases. PPF Telecom Group bonds became unsecured.
Bond 2026	550		Bond 2026	550		
Bond 2025	600		Bond 2025	600		
Bond 2024	600		Bond 2024	600		
Bond 2027	500		Bond 2027	500		
Term loan 2024	546					
Committed RCF 200m, undrawn						
<b>Total</b>	<b>2,796</b>	<b>-546m</b>	<b>Total</b>	<b>2,250</b>		
<b>CETIN Group N.V.</b>	<b>816</b>	<b>+825m</b>	<b>CETIN Group N.V.</b>	<b>1,641</b>		
			Corporate bridge loan 2023	750		
			Term loan 2026	75		
			Committed RCF 200m, undrawn			
			Committed loan 625m, undrawn			
			<b>Total</b>	<b>825</b>		
<b>CETIN CZ</b>	<b>816</b>		<b>CETIN CZ</b>	<b>816</b>		New financing has been drawn at CETIN Group N.V. level on 3 September 2021. Corporate bridge loan 2023 EUR 750m is to be refinanced by debt capital market issuances.
Bond 2021	625		Bond 2021	625		
Bond 2023	191		Bond 2023	191		CETIN CZ liquidity back-up facility cancelled and replaced with an undrawn term loan at CETIN Group level.
Committed loan 625m, undrawn						
<b>O2 CZ</b>	<b>508</b>		<b>O2 CZ</b>	<b>508</b>		
Schuldscheins 2022-26	297		Schuldscheins 2022-26	297		
Term loan 2025	211		Term loan 2025	211		
<b>Telenor HU</b>	<b>80</b>		<b>Telenor HU</b>	<b>80</b>		
Amortising loan 2025	80		Amortising loan 2025	80		

## Unchanged financial policy of PPF Telecom Group:

Net leverage excl. IFRS 16 below 3.2x

Companies below PPF Telecom Group subject to covenants, as amended to capture also CETIN Group N.V. and PPF Telco B.V. interim holding entities in successful consent solicitation in July 2021:

- O2 CR Group + CETIN Group 2.2x,
- Other parts of PPF Telecom Group 1.0x

# Pending potential transactions

## SALE OF TELENOR MONTENEGRO

- PPF Telecom Group has entered negotiations on possible sale of Telenor Montenegro to 4IG, Hungarian company listed on Budapest Stock Exchange
- A non-binding term sheet was signed on 9 July
- The divestment will be conducted subject to due diligence and negotiation of the transaction documentation

## KEY FACTS

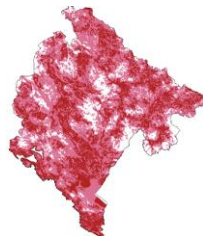
- Telenor Montenegro is the smallest business unit
- While reported in PPF Telecom Group sub-consolidated with Telenor Serbia, Montenegro contributed c. EUR 44m revenues and EUR 16m EBITDA in 2020 respectively, c. 1.4% and 1.1% group contribution respectively
- Mobile network (including 200+ own sites and 400+ 2G/3G/LTE BTSs) remained vertically integrated with retail operations in Montenegro and is within the perimeter of potential transaction

**Headquarters**  
in Podgorica



**LTE coverage**

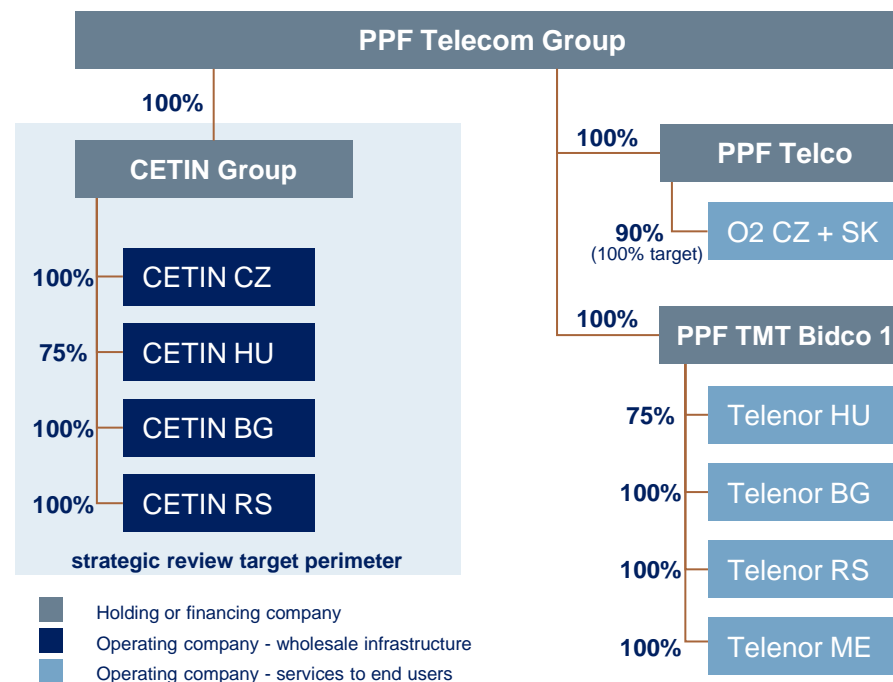
Outdoor: 98.2% population, 90% territory



## CETIN GROUP STRATEGIC REVIEW

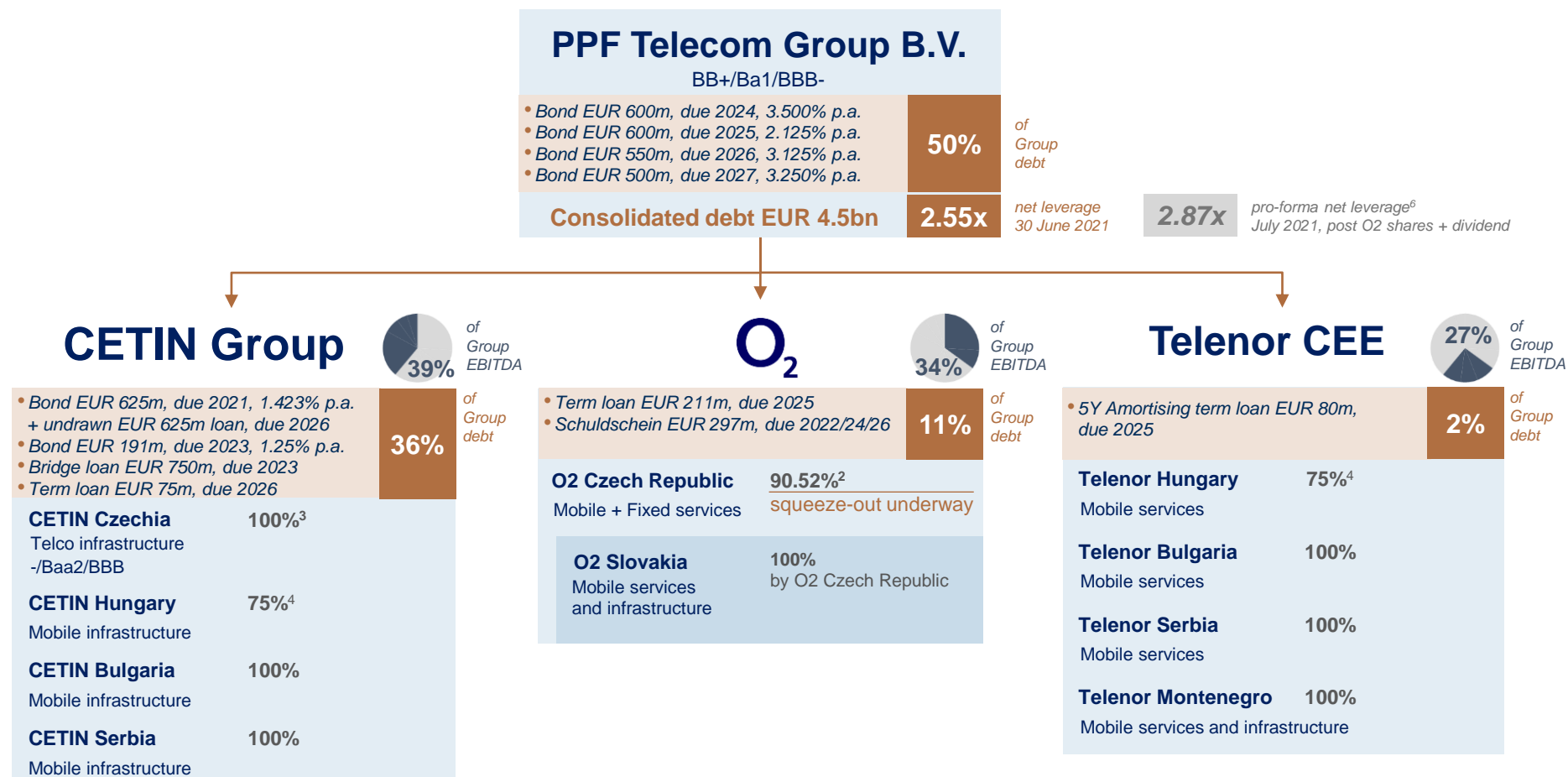
- Three possible scenarios:
  - status quo maintained
  - equity offering and listing, or
  - direct sale of minority stake to financial investor
- Selection will be based purely on overall favourability of the conditions for PPF Telecom Group

## KEY FACTS



# Corporate structure and debt as of September 2021

## A cluster of market-leading CEE telecom infrastructure and retail assets<sup>1</sup>



Source: Company data

[1] The chart represents the simplified group structure to illustrate main segments within PPF Telecom Group B.V. and financing as of 8 September 2021

[2] Squeeze-out of the remaining minority investors (9.48% free float at Prague Stock Exchange) expected in 4Q 2021

[3] Merger with PPF A3 B.V. resulted in 100% ownership as of 1 September 2021.

[4] 25% stake owned by Antenna Hungária Zrt., the country's leading state-owned telecommunications service provider, via TMT Hungary B.V. holding company

[5] Consolidated net leverage ratio = consolidated Gross Debt less Cash / EBITDA for the last twelve months preceding 30 June 2021, excluding IFRS 16 impact

[6] Pro-forma net leverage is calculated using 30 June 2021 figures less cash disbursements for O2 shares acquisition EUR 349m and dividend payment EUR 90m in July 2021

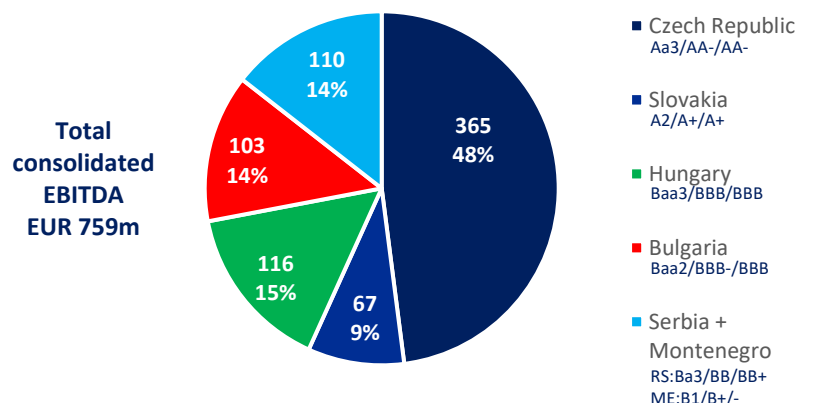
# Diversification of PPF Telecom Group earnings

Regionally balanced portfolio with half of the business in Czechia

## GEOGRAPHICAL DISTRIBUTION OF EBITDA

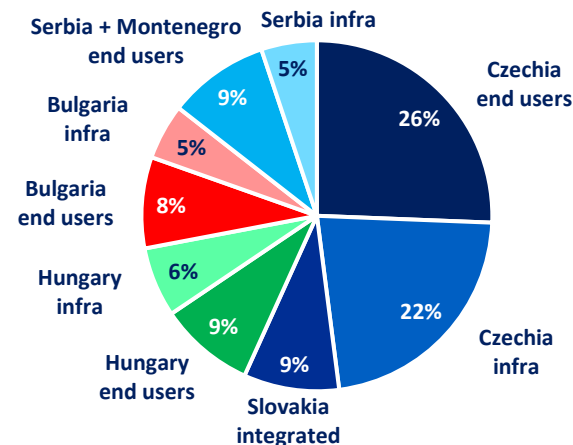
in EURm

1H2021 Actual



## DISTRIBUTION OF EBITDA BY COUNTRY AND BUSINESS

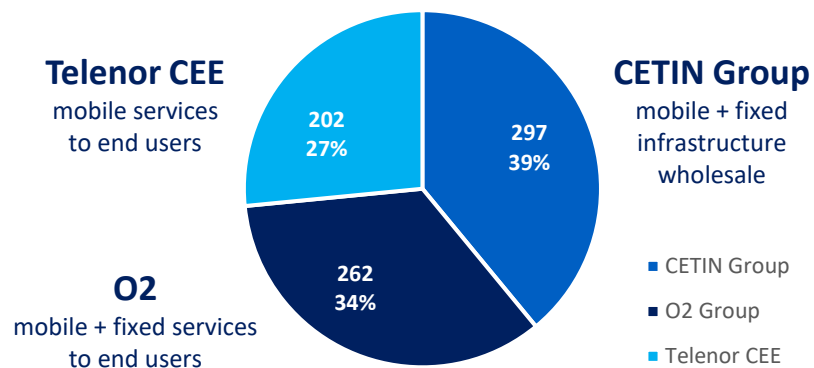
1H2021 Actual



## EBITDA BY TYPE OF BUSINESS

in EURm

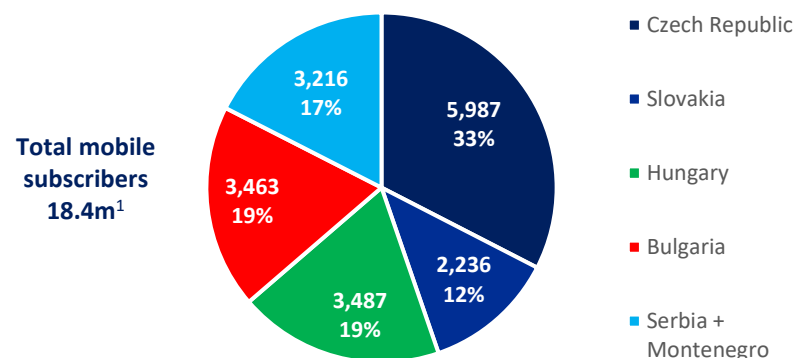
1H2021 Actual



## MOBILE SUBSCRIBERS<sup>1</sup> BY SEGMENT














in 000's

1H2021 Actual



# Spectrum auctions update

Successful spectrum acquisitions in 2020-21, further auctions anticipated

	2020	2021	2022	2023	2024
<b>Czechia</b> 	<b>700 / 3,500 MHz auction</b>  EUR 53m cost 100% paid	<b>2,100 MHz renewal</b>			<b>900 / 1,800 MHz renewal</b>
<b>Slovakia</b> 	<b>700 / 900 / 1,800 MHz auction</b>  EUR 33m cost 50% paid	→ 25% paid	→ 25% to be paid		
<b>Hungary</b> 	<b>700 / 2,100 / 3,600 MHz auction</b>  EUR 100m cost 100% paid	<b>900 / 1,800 MHz renewal</b>  EUR 162m cost	→ 100% to be paid		
<b>Bulgaria</b> 		 <b>900 / 1,800 MHz renewal</b> EUR 23m cost 100% paid  <b>2,100 and 2,600 auctions</b> EUR 3.3m cost 100% paid  <b>3,700 MHz auction</b> EUR 2.1m cost 100% paid	<b>700 / 800 MHz allocation</b>		
<b>Serbia</b> 			<b>700 / 2,600 / 3,600 MHz allocation</b>		
<b>Montenegro</b> 		<b>2,600 MHz auction</b>	<b>700 / 3,600 MHz allocation</b>		

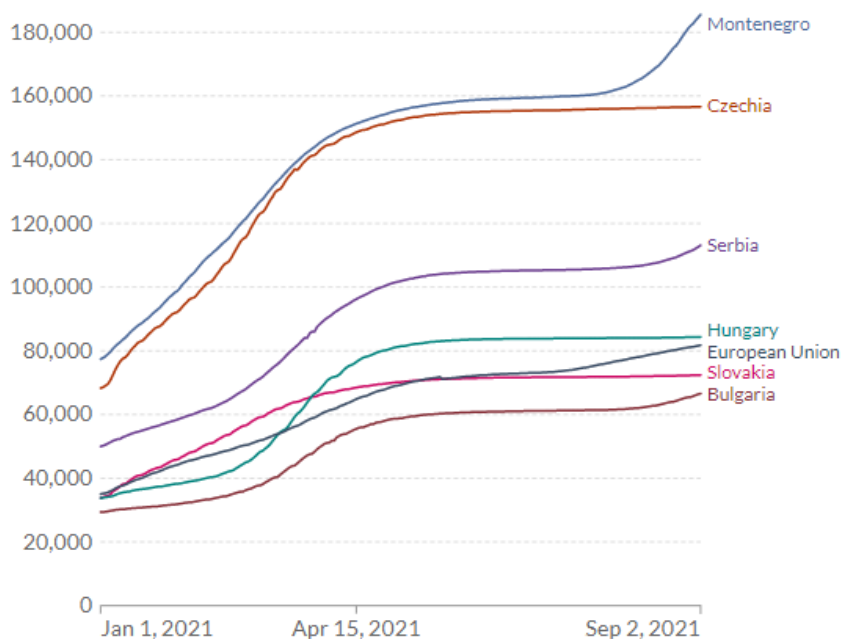
# Current spectrum allocations

new auctions and extensions		band size up to:											
		2 x 30 MHz	2 x 30 MHz	2 x 35 MHz	2 x 115 MHz	2 x 60 MHz	2 x 80 MHz	70 MHz	2 x 100 MHz	200 MHz	200 MHz		
		410	450	700	800	900	1 800	2 100	FDD 2 600	TDD 2 600	FDD 3 500	TDD 3 500	TDD 3 700
Czechia	3 MHz			2 x 10 MHz	2 x 10 MHz	2 x 10 MHz	2 x 27 MHz	2 x 19.8 MHz	2 x 20 MHz		Vodafone	20 MHz	40 MHz
	Nordic			2 x 10 MHz	2 x 10 MHz	2 x 12.7 MHz	2 x 20 MHz	2 x 19.8 MHz	2 x 30 MHz	25 MHz	CentroNet	80 MHz	80 MHz
	O2	4 MHz	2 x 10 MHz	2 x 10 MHz	2 x 12.4 MHz	2 x 27.8 MHz	2 x 19.8 MHz	2 x 20 MHz	25 MHz	O2	T-Mobile	20 MHz	40 MHz
Slovakia	Orange		2 x 10 MHz	2 x 10 MHz	2 x 10 MHz	2 x 20 MHz	2 x 20 MHz	2 x 30 MHz				20 MHz	40 MHz
	T-Mobile		2 x 10 MHz	2 x 10 MHz	2 x 10.2 MHz	2 x 18.2 MHz	2 x 20 MHz	2 x 40 MHz	50 MHz			20 MHz	40 MHz
	O2		2 x 10 MHz	2 x 10 MHz	2 x 14.8 MHz	2 x 18.8 MHz	2 x 20 MHz				2 x 45 MHz	20 MHz	40 MHz
Hungary				Jan-2021	Jan-2021								
	Vodafone	2 x 10 MHz	2 x 10 MHz	2 x 10 MHz	2 x 20 MHz	2 x 20 MHz	2 x 20 MHz	25 MHz				120 MHz	50 MHz
	T-Mobile	2 x 10 MHz	2 x 10 MHz	2 x 10 MHz	2 x 30 MHz	2 x 25 MHz	2 x 30 MHz	25 MHz			DIGI	60 MHz	120 MHz
Bulgaria				Jan-2021	Jan-2021	Jan-2021	Mar-2021						
	A1			2 x 11.2 MHz	2 x 15 MHz						Bulsatcom		100 MHz
	Vivacom			2 x 11.2 MHz	2 x 15 MHz	2 x 20 MHz	2 x 20 MHz				T.com		100 MHz
Serbia	mt:s	2 x 10 MHz	2 x 11.2 MHz	2 x 5 MHz	2 x 15 MHz								
	Vip mobile	2 x 10 MHz	2 x 9.6 MHz	2 x 20 MHz	2 x 15 MHz								
	Telenor	2 x 10 MHz	2 x 9.6 MHz	2 x 20 MHz	2 x 15 MHz								
Montenegro	m:tel	2 x 10 MHz	2 x 10 MHz	2 x 25 MHz	2 x 5 MHz	2 x 40 MHz	45 MHz	2 x 75 MHz					
	T-Mobile	2 x 20 MHz	2 x 10 MHz	2 x 25 MHz	2 x 15 MHz	2 x 20 MHz		2 x 25 MHz					
	Telenor	2 x 20 MHz	2 x 15 MHz	2 x 25 MHz	2 x 20 MHz	2 x 10 MHz	5 MHz						
		410	450	700	800	900	1 800	2 100	2 600 FDD	2 600 TDD	3 500 FDD	3 500 TDD	3 700 TDD

# COVID-19 dynamics

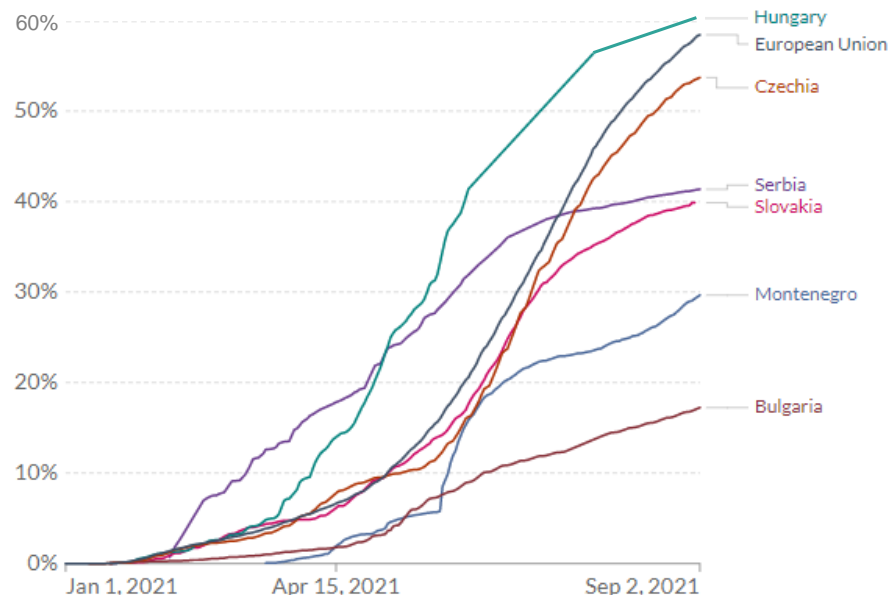
## CUMULATIVE CASES PER MILLION PEOPLE

- A pronounced wave in 1Q has been arrested in 2Q
- Bulgaria, Serbia and Montenegro are a concern again in 3Q



## FULLY VACCINATED POPULATION

- Most countries made a decisive progress in vaccination in 2Q
- The curve is flattening in 3Q
- Another wave in the autumn cannot be excluded
- Bulgaria is a particular concern



# Regional market overview

Market structure with three main MNOs preserved after the first wave of 5G auctions



# Commercial initiatives 1H2021

## O2 Czech Republic and O2 Slovakia

### MOBILE AND FIXED

- Continuous growth in mobile in line with the market, growing data consumptions and roaming
- Successful bundling strategy in B2C reaching over 40% penetration in Czechia
- Digital only proposition Radost (Joy) of O2 Slovakia and best rated app on the market



### TV AND OTHER SERVICES

- Continuous IPTV growth crossing 590k O2 TV users
- Fixed HW profitability growth smart pricing
- New O2 Smart Box launched



### NETWORK

- Continued 5G rollout in Czechia
- Network security service growing 30% in B2C and 100% in B2B



## Telenor Hungary, Bulgaria, Serbia and Montenegro

### MOBILE

- Continuous focus on customer base value growth driven by pre2post migration and data consumption driven upsell
- Harvesting successful launch of high ARPU unlimited plans in CEE
- Bounce back of roaming revenues



### COMPLEMENTARY EQUIPMENT AND SERVICES

- Focus on device insurance and bundling wearables on instalments



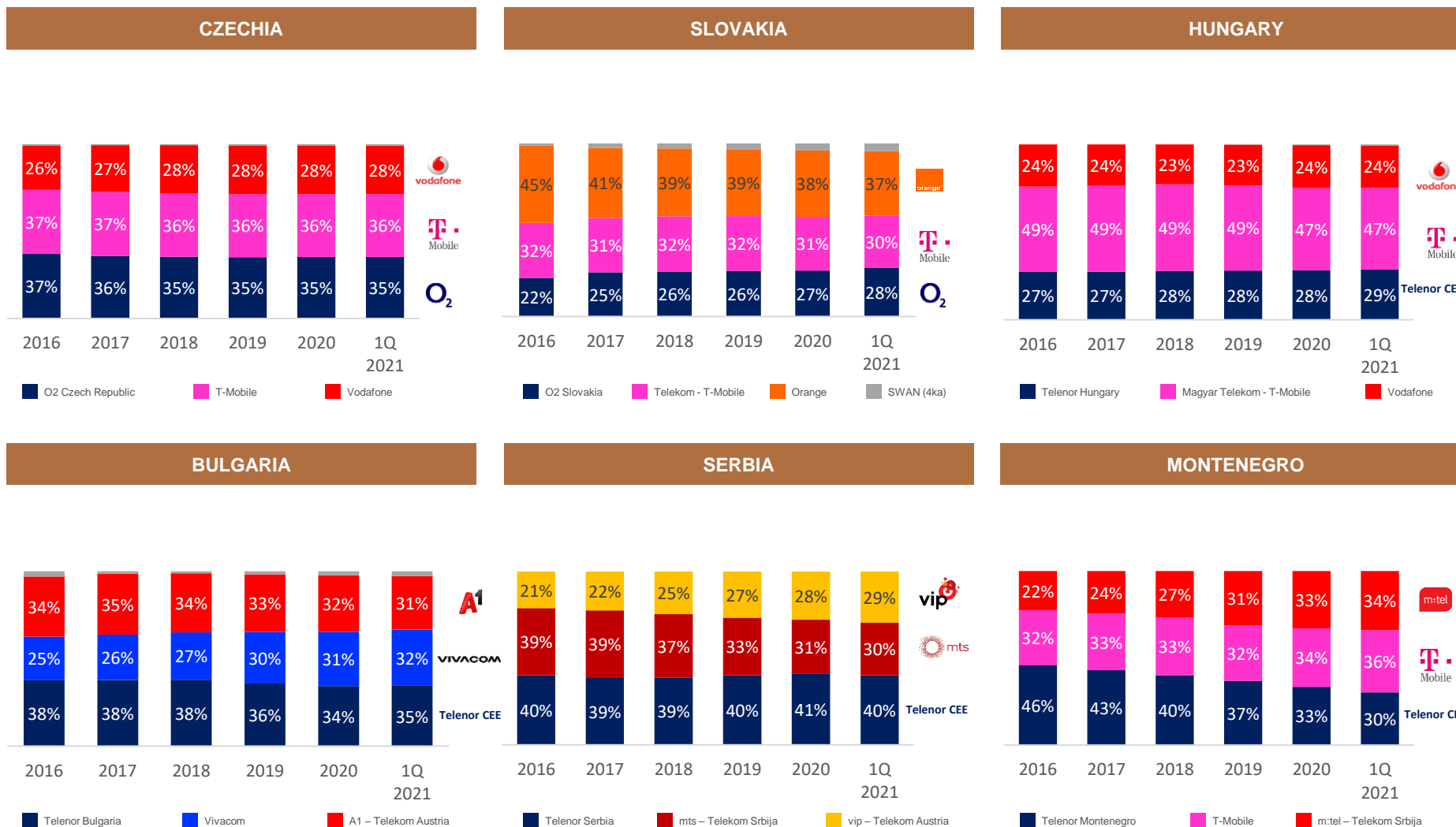
### NETWORK

- Maintaining strong network perception confirmed by reputable benchmarks across CEE
- 5G launched in Bulgaria and Hungary



# Mobile revenue market shares

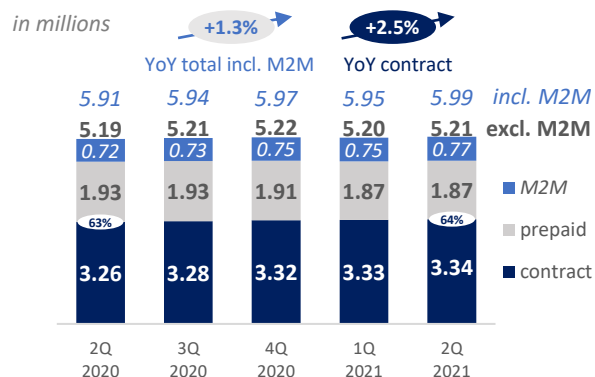
## Telenor CEE and O2 maintain mobile revenue market shares



# Mobile customer base

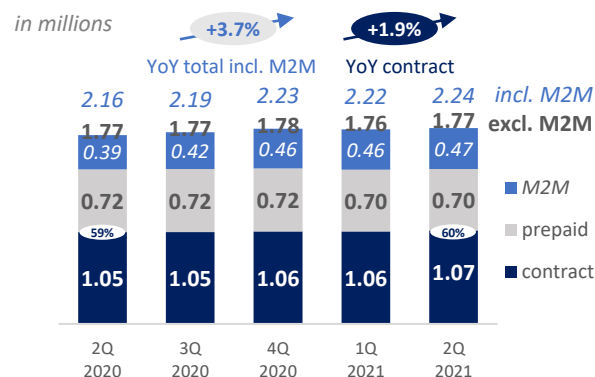
## Continued growth in postpaid subscriber base

### O2 CZECHIA



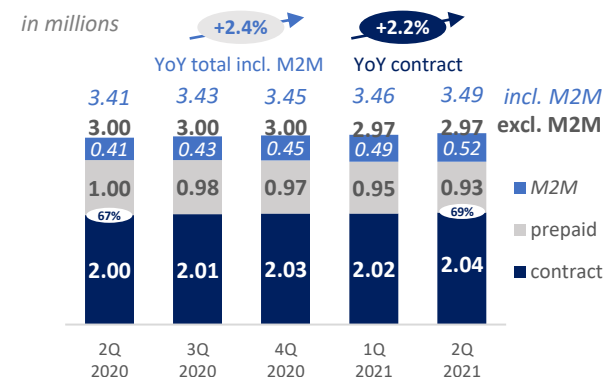
13 months active criterion for pre-paid

### O2 SLOVAKIA



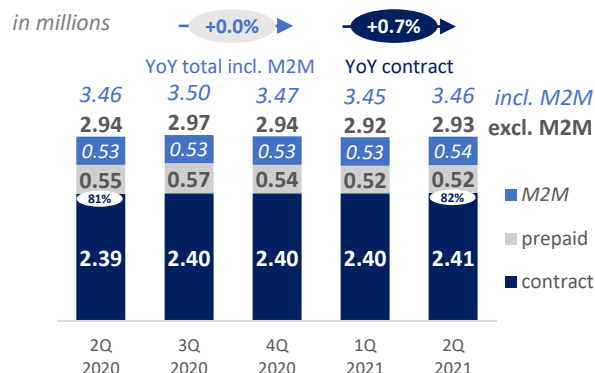
3 months active criterion for pre-paid

### TELENOR HUNGARY



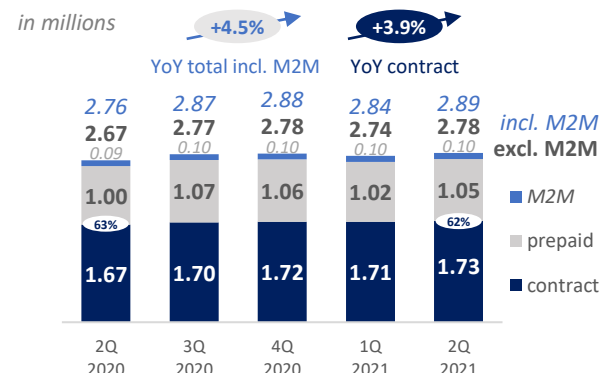
3 months active criterion for pre-paid

### TELENOR BULGARIA



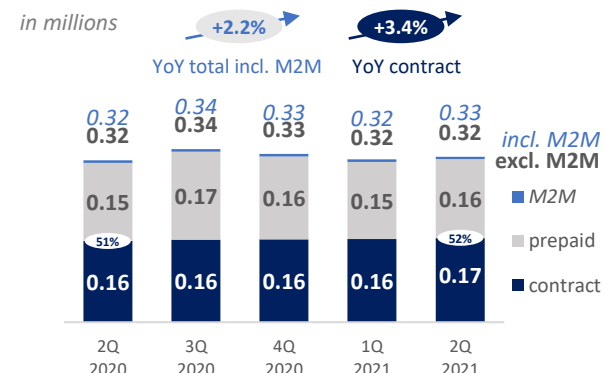
3 months active criterion for pre-paid

### TELENOR SERBIA



3 months active criterion for pre-paid

### TELENOR MONTENEGRO



3 months active criterion for pre-paid

Source: Company data

% share of post-paid customers, excluding M2M

# Mobile ARPU in PPF Telecom Group business units

Generally stable blended ARPU across our footprint



Source: O2 quarterly results, Telenor internal sources

[1] O2 Czech Republic stopped reporting ARPU from 2Q2019. To approximate this metric, revenue/user is calculated as mobile service revenue (excluding inbound roaming and M2M revenues) divided by the average number of active mobile subscribers (excluding M2M). O2 Slovakia calculation of ARPU excludes inbound roaming and M2M revenues (undisclosed). Telenor calculation excludes inbound roaming and M2M revenues.

# Fixed services in the Czech Republic

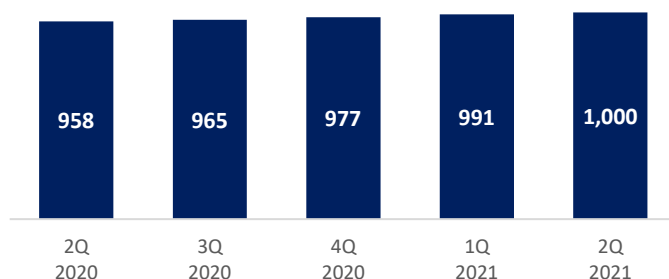
FTTc investments help CETIN's active lines and O2's FBB subscriber base

## CETIN WHOLESALE FBB SUBSCRIPTIONS

in '000s

4.4%  
YoY

CETIN



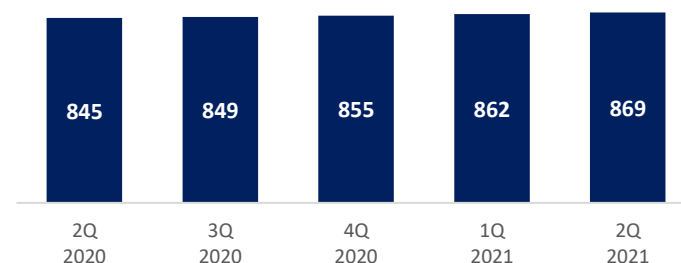
Source: CETIN internal data

## O2 CR TECHNOLOGY-AGNOSTIC BROADBAND<sup>1</sup> SUBSCRIBERS

in '000s

2.8%  
YoY

O<sub>2</sub>



[1] O2 CR definition: Cable (ADSL, VDSL, fibre) and wireless (4G LTE, WTTx)

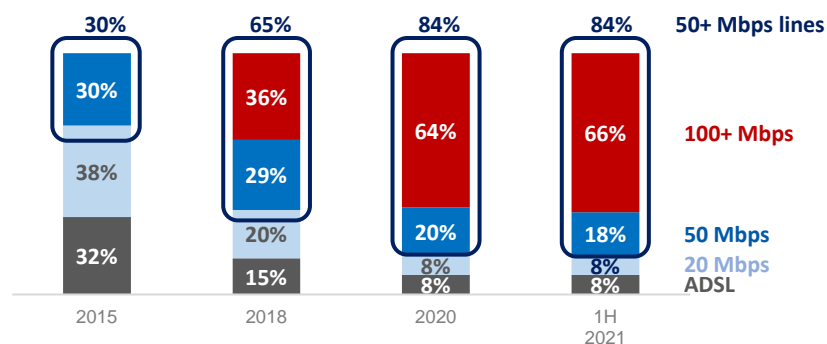
Source: O2 quarterly results

## CETIN FIXED NETWORK MODERNISATION

- Upgrading xDSL via FTTc/FTTb/FTTh, rolling out fibre, 2% of the lines 1Gbps

+54 p.p.

CETIN



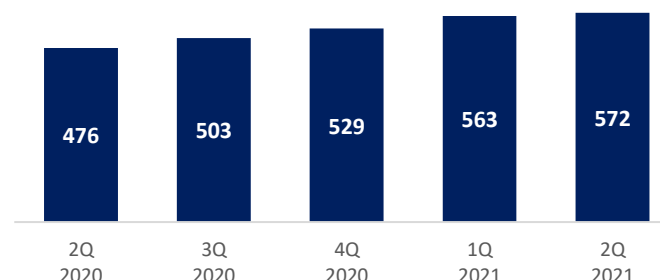
Source: CETIN internal data

## O2 CR PAY TV SUBSCRIBERS<sup>2</sup>

in '000s

20.2%  
YoY

O<sub>2</sub>



[2] O2 CR definitions: IPTV and OTT, incl. prepaid O2 TV Sport Pack online and O2 TV HBO and Sport Pack packages

Source: O2 quarterly results

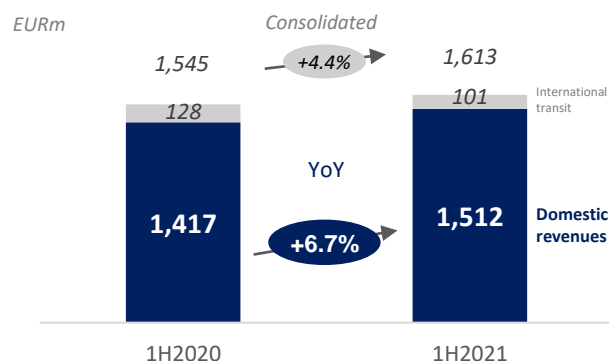
# 1H2021 consolidated results at a glance

Sound results, all businesses contributed to earnings, solid cash flows

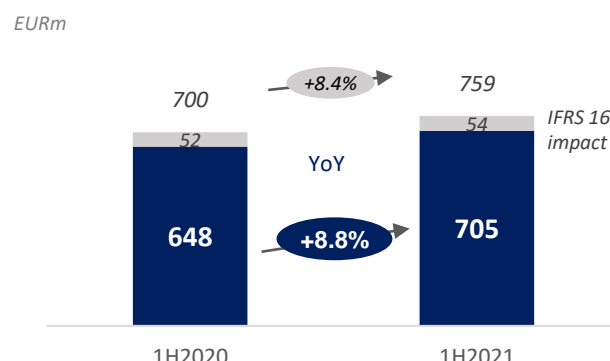
## REVENUES OVERVIEW

EURm	1H2020	1H2021	1H2021 yoy	FY2020 yoy
<b>Consolidated revenues<sup>1</sup></b>	<b>1,545</b>	<b>1,613</b>	<b>4.4%</b>	<b>-0.4%</b>
O2 Group	742	779	5.0%	-1.1%
CETIN CZ excl. transit	227	233	2.6%	-3.5%
Telenor + CETIN CEE <sup>2</sup>	666	697	3.9%	0.7%
o/w Hungary	250	262	4.8%	-3.3%
o/w Bulgaria	190	206	8.4%	4.3%
o/w Serbia + Montenegro	212	229	8.0%	2.5%
Eliminations	-229	-206		
<b>Consolid. revenues excl. transit</b>	<b>1,417</b>	<b>1,512</b>	<b>6.7%</b>	<b>0.4%</b>

## REVENUES



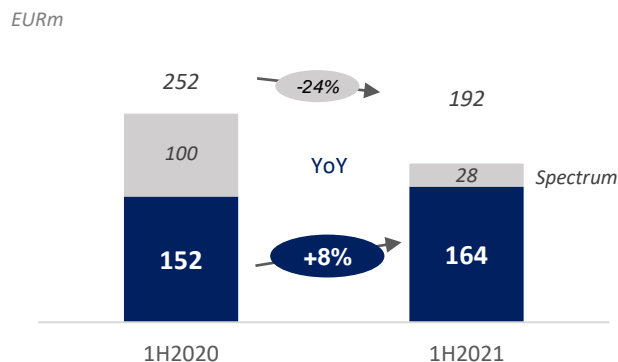
## EBITDA



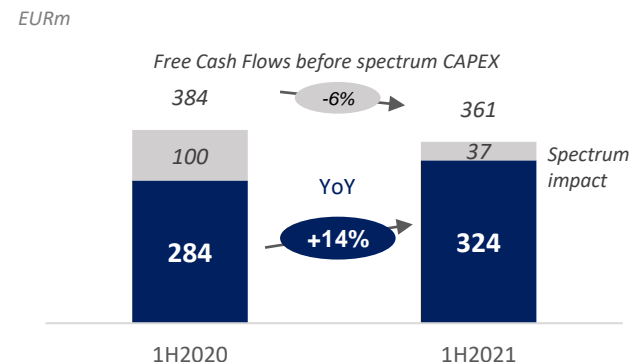
## EBITDA OVERVIEW

EURm	1H2020	1H2021	1H2021 yoy	FY2020 yoy
<b>EBITDA</b>	<b>700</b>	<b>759</b>	<b>8.4%</b>	<b>2.0%</b>
O2 Group	242	262	8.3%	2.6%
CETIN CZ	160	170	6.3%	-0.6%
Telenor + CETIN CEE <sup>2</sup>	303	328	8.3%	1.4%
o/w Hungary	110	116	5.5%	3.4%
o/w Bulgaria	96	103	7.3%	-1.7%
o/w Serbia + Montenegro	97	109	12.4%	7.6%
<b>EBITDA after leases</b>	<b>648</b>	<b>705</b>	<b>8.8%</b>	<b>2.1%</b>

## CAPEX<sup>3</sup>



## FREE CASH FLOWS AFTER LEASES<sup>4</sup>



Source: PPF Telecom Group consolidated financial statements for the period ended 31 December 2020 and 30 June 2021; Telenor CEE internal data

[1] Revenues + other income

[2] To facilitate sensible year-over-year comparison, 1H2021 figures of CETIN Hungary, CETIN Bulgaria and CETIN Serbia are pro forma combined with Telenor figures

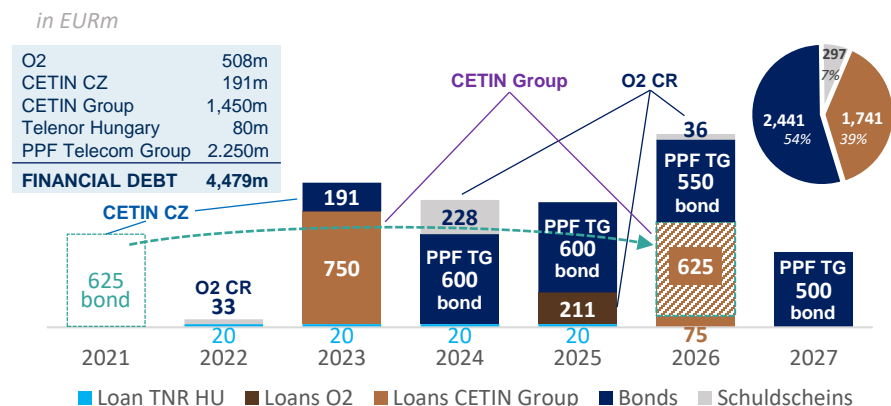
[3] CAPEX represents additions to property, plant and equipment and intangible assets

[4] Free cash flows represent Net cash from operating activities less Cash used for Purchase of PPE and intangible assets and including Proceeds from disposals of PPE and intangible assets and including Lease payments

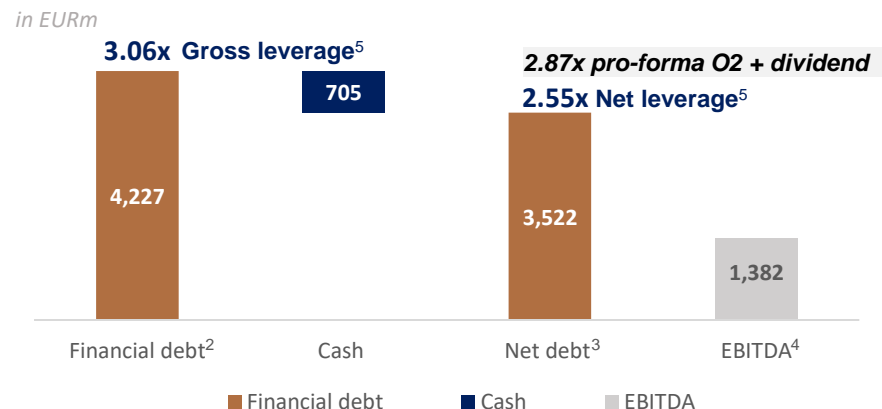
# Key credit metrics

Maturity further extended through CETIN Group; net leverage preserved

## NOMINAL FINANCIAL DEBT<sup>1</sup> PROFILE AS OF 8-SEP-2021



## CONSOLIDATED NET LEVERAGE RATIO<sup>5</sup> AS OF 30-JUN-2021



- **EUR 625m CETIN Group N.V.** liquidity back-up facility, obtained 24 Aug 2021, is undrawn and committed for refinancing of CETIN CZ 1.423% EUR 625m Dec 2021 bond

- **Pro-forma net leverage** is calculated using 30 June 2021 figures less cash disbursements for O2 shares acquisition EUR 349m and dividend payment EUR 90m in July 2021

## BONDS

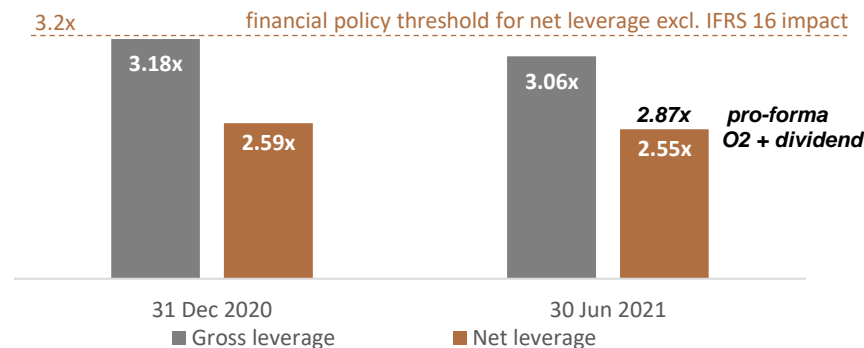
**CETIN CZ** - investment grade Baa2 / BBB (Moody's / FitchRatings)

- **Eurobond EUR 625m**, 5 years, due Dec 2021, 1.423% p.a.  
+ *undrawn EUR 625m facility, due 2026, committed for refinancing*
- **Eurobond CZK 4,866m (EUR 191m)**, 7 years, due Dec 2023, 1.235% p.a.

**PPF Telecom Group** - crossover rating BB+ / Ba1 / BBB- (S&P / M / F)

- **Eurobond EUR 600m**, 4 years, due May 2024, 3.500% p.a.
- **Eurobond EUR 600m**, 5 years, due Jan 2025, 2.125% p.a.
- **Eurobond EUR 550m**, 7 years, due Mar 2026, 3.125% p.a.
- **Eurobond EUR 500m**, 7 years, due Sep 2027, 3.250% p.a.

## 2021 LEVERAGE<sup>5</sup> DYNAMICS



Source: O2 published results, PPF Telecom Group internal data, PPF Telecom Group consolidated financial statements for 2020 and 1H2021

[1] Outstanding principal amounts, excluding RCF and overdraft facilities; CZK-denominated debt converted with EUR/CZK rate of 25.49

[2] Financial debt = amount due to banks and debt securities issued, including amortised legal fees/bank fees and accrued interest, excluding IFRS 16 impact

[3] Net debt = Gross debt (excluding IFRS 16 impact) less Cash and cash equivalents and other highly liquid assets

[4] EBITDA for the last twelve months preceding 30 June 2021, excluding IFRS 16 impact

[5] Consolidated gross leverage ratio = consolidated Gross debt / EBITDA for the last twelve months preceding 30 June 2021, excluding IFRS 16 impact

Consolidated net leverage ratio = consolidated Gross debt less Cash and cash equivalents / EBITDA for the last twelve months preceding 30 June 2021, excluding IFRS 16 impact

# Appendix

# Appendix - Key financial metrics

Sound 1H2021 results, all businesses contributed to group earnings

EURm	2019	2020	2020 yoy	1H 2020	1H 2021	1H2021 yoy
<b>Consolidated revenues</b>	<b>3,170</b>	<b>3,159</b>	<b>-0.4%</b>	<b>1,545</b>	<b>1,613</b>	<b>4.4%</b>
O2 Group	1,534	1,517	-1.1%	742	779	5.0%
CETIN Group excl. transit	471	615	31%	227	394	74%
Czechia	471	455	-3.5%	227	233	2.6%
Hungary	n/a	64	n/a	n/a	63	n/a
Bulgaria	n/a	48	n/a	n/a	49	n/a
Serbia	n/a	48	n/a	n/a	49	n/a
Telenor CEE	1,341	1,351	0.7%	666	692	3.9%
Hungary	527	510	-3.3%	250	262	4.8%
Bulgaria	384	400	4.3%	190	205	7.9%
Serbia + Montenegro	430	441	2.5%	212	225	6.1%
Eliminations	-458	-428		-218	-353	
International transit revenues	282	259	-7.9%	128	101	-21%
<b>Cons. revenues (excl. transit)</b>	<b>2,889</b>	<b>2,900</b>	<b>0.4%</b>	<b>1,417</b>	<b>1,512</b>	<b>6.7%</b>
<b>EBITDA</b>	<b>1,397</b>	<b>1,425</b>	<b>2.0%</b>	<b>700</b>	<b>759</b>	<b>8.4%</b>
O2 Group	492	505	2.6%	242	262	8.3%
CETIN Group	333	455	37%	160	297	86%
Czechia	333	331	-0.6%	160	170	6.3%
Hungary	n/a	48	n/a	n/a	49	n/a
Bulgaria	n/a	38	n/a	n/a	39	n/a
Serbia	n/a	38	n/a	n/a	39	n/a
Telenor CEE	572	466	-19%	303	202	-33%
Hungary	208	166	-20%	110	67	-39%
Bulgaria	180	140	-22%	96	64	-33%
Serbia + Montenegro	184	160	-13%	97	71	-27%
<b>EBITDA after leases</b>	<b>1,298</b>	<b>1,325</b>	<b>2.1%</b>	<b>648</b>	<b>705</b>	<b>8.8%</b>

EURm	2019	2020	2020 yoy	1H 2020	1H 2021	1H2021 yoy
<b>CAPEX (incl. spectrum)</b>	<b>392</b>	<b>612</b>	<b>56%</b>	<b>252</b>	<b>192</b>	<b>-24%</b>
O2 Group	95	228	141%	39	29	0%
CETIN Group	161	197	22%	63	102	62%
Czechia	161	147	-8.8%	63	67	6.3%
Hungary	n/a	23	n/a	n/a	14	n/a
Bulgaria	n/a	16	n/a	n/a	14	n/a
Serbia	n/a	11	n/a	n/a	7	n/a
Telenor CEE	136	188	39%	152	51	-66%
Hungary	62	140	124%	122	8	-93%
Bulgaria	28	19	-32%	13	33	154%
Serbia + Montenegro	46	30	-35%	17	10	-41%
<b>FCF after lease payments<sup>1</sup></b>	<b>727</b>	<b>582</b>	<b>-20%</b>	<b>284</b>	<b>324</b>	<b>14%</b>

Source: PPF Telecom Group consolidated financial statements for 2020 and for the six months ended 30 June 2021

Figures are including the effects of IFRS 16 adoption, using the modified retrospective method

[1] Net cash flows from operating activities less CAPEX paid and proceeds from sale of assets

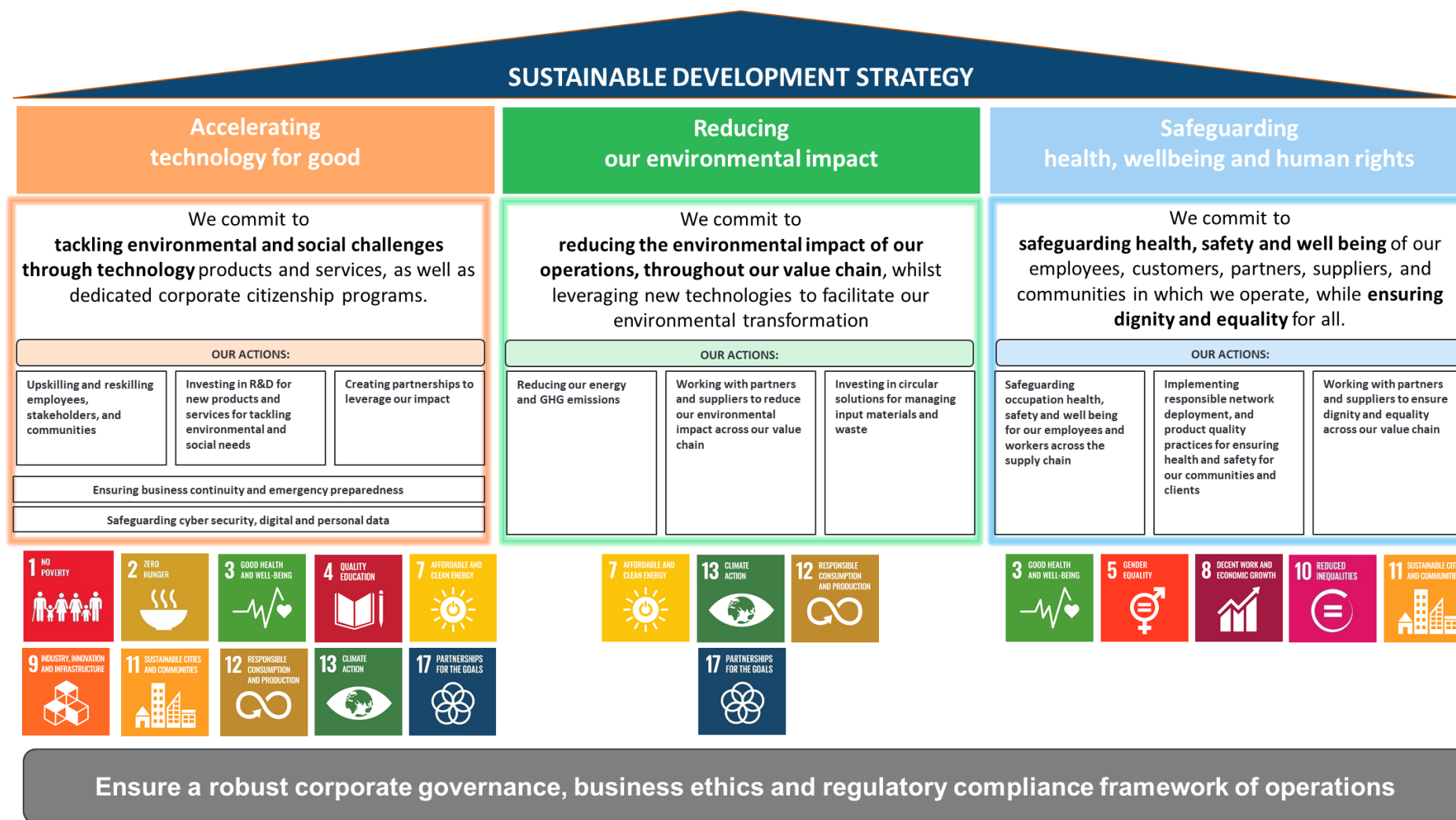
# Appendix - Group balance sheet highlights

No material changes in 1H2021; refinanced loans in Aug 2021

<i>in EURm</i>	31 Dec 2020	30 Jun 2021	diff.
<b>Non-current assets</b>	<b>6,413</b>	<b>6,325</b>	<b>-1.4%</b>
• o/w property, plant & equip. + intangible	4,244	4,152	-2.2%
<b>Current assets</b>	<b>1,486</b>	<b>1,559</b>	<b>+4.9%</b>
• o/w cash & other highly liquid assets	790	705	-11% cash held for O2 shares and 2020 dividend
<b>TOTAL ASSETS</b>	<b>7,899</b>	<b>7,883</b>	<b>-0.2%</b>
<b>EQUITY</b>	<b>1,836</b>	<b>1,756</b>	<b>-4.4%</b> +251m net profit 1H2021, -358m O2 shares
<b>Liabilities</b>	<b>6,063</b>	<b>6,128</b>	<b>+1.1%</b>
• o/w bonds	3,085	3,080	-0.2%
o/w debt to banks	1,132	1,144	+1.3%

# Group ESG strategy formulated

Implementation underway



# PPF Group is an international investment group founded in 1991 in the Czech Republic

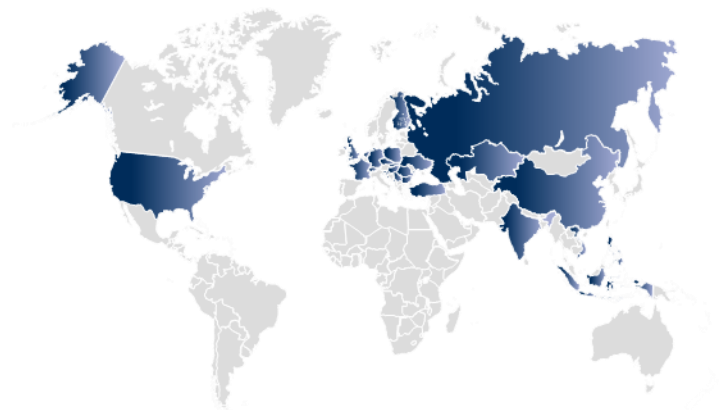
**39.7** billion EUR  
total assets<sup>1</sup>

**7.9** billion EUR  
equity<sup>1</sup>

**-291** million EUR  
net income, in 2H EUR 93m positive

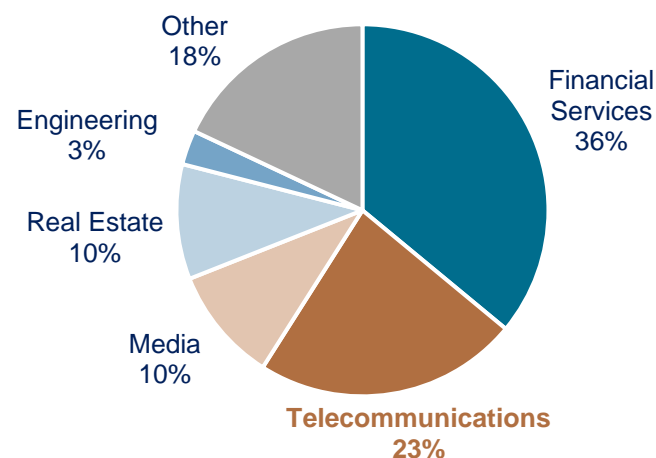
**94** ths.  
employees<sup>1</sup>

## PPF GROUP OPERATES IN 25 COUNTRIES



Diverse business activities encompassing banking and financial services, telecommunications, media, biotechnology, real estate and engineering

## EQUITY BY SEGMENT<sup>2</sup>



## SHAREHOLDERS



**Family of Petr Kellner**  
Inheritance proceedings underway

98.93 %



**Ladislav Bartoníček**  
CEO of PPF Telecom Group

0.535 %



**Jean-Pascal Duvieusart**  
CEO of Home Credit, Member of Board of Directors of PPF Real Estate

0.535 %





[1] Assets as of 31 December 2020, equity attributable to owners of the parent as of 31 December 2020, net income attributable to owners of the parent for the period of 12 months up to 31 December 2020, number of employees as of 31 December 2020

[2] Total equity as of 31 December 2020, excluding Unallocated segment and Eliminations

Source: PPF Group financial accounts for FY2020

# PPF Group key portfolio pillars

A long-term investor operating in 25 countries and ~11 sectors

PPF GROUP (established 1991)											
TELECOMMUNICATIONS (since 2013)			FINANCIAL SERVICES (since 1997)			REAL ESTATE (since 1996)			MEDIA (since 2020)		
PPF Telecom Group B.V.			PPF Financial Holdings B.V.			PPF Real Estate B.V.			TV Bidco B.V.		
											
<ul style="list-style-type: none"> <li>Strategic pillar in PPF's portfolio</li> <li>Gradually built its position in the CEE to become a relevant regional player</li> <li>Diversified across regions and products</li> <li>Long-term PPF investment valuable for its low risk profile and stable cash flows</li> </ul>			<ul style="list-style-type: none"> <li>Subject to European banking regulation (CRR/CRD IV)</li> <li>A treasury bank for PPF Group. Corporate and municipal clients, with stable, profitable results.</li> <li>Home Credit (est. 1997) growing organically to 10 countries</li> <li>Diversified on multiple levels (geographies, product mix, development stage)</li> </ul>			<p>Platform for real estate projects owned by PPF or in partnerships</p> <ul style="list-style-type: none"> <li>Cash flow generating projects, mainly in office and industrial sectors, limited exposure to residential sector</li> <li>Efficient acquisitions, development and operations</li> <li>Increased diversification across regions and sectors</li> </ul>			<p>Central European Media Enterprises</p> <ul style="list-style-type: none"> <li>Market leading TV broadcasting businesses in Czechia, Slovakia, Romania, Slovenia and Bulgaria</li> <li>32 television channels broadcasting to approximately 45 million people</li> <li>Focused on exclusive own content production</li> </ul>		
<div> <div>EUR 7.9bn assets</div> <div>EUR 1.4bn EBITDA</div> <div>EUR 1.8bn equity</div> </div>			<div> <div>EUR 24.8bn assets</div> <div>EUR 2.9bn equity</div> </div>			<div> <div>EUR 2.3bn assets</div> <div>EUR 0.9bn equity</div> </div>			<div> <div>EUR 2.1bn assets</div> <div>EUR 0.2bn OIBDA</div> <div>EUR 0.8bn equity</div> </div>		
Data as of 31 December 2020			Data as of 31 December 2020			Data as of 31 December 2020			Data as of 31 December 2020		
Source: PPF Telecom Group 2020 financial accounts			Source: PPF Group 2020 financial accounts			Source: PPF Group 2020 financial accounts			Source: PPF Group and CME 2020 financial accounts		

# PPF Telecom Group: Key credit highlights

**1**

## Market leading businesses with strong brand recognition, high quality assets and superior network coverage

- Stable market leading positions across six European markets
- #1 to #2 positions in all major retail markets by both revenue and customer share
- Quality brand positioning in all markets
- High quality mobile networks with full coverage
- National fixed network infrastructure in the Czech Republic

**2**

## Stable markets with positive long-term trends supporting growth

- Predictable regulatory environment in all markets
- Moderate intensity of the competition with stable market shares and ARPUs
- Growing demand for data across our footprint, further accelerated during COVID lockdowns
- Track record of moderate growth in all markets

**3**

## Diversified, strong and stable cash flow generation

- EBITDA generation well diversified across six countries and between infrastructure and retail
- Group cash conversion rate historically around 50%<sup>1</sup>
- Strong interest coverage ratios at consolidated and at PPF Telecom Group (stand-alone) level

**4**

## Efficient and innovative corporate structure

- Sustainable model for the infrastructure separated from the commercial companies
- Managerial specialisation, focus and priorities NetCo vs. ComCo
- Potential for infrastructure services wholesaling and network sharing
- Synergies in purchasing, research, infrastructure development and deployment

## Crossover rating from three agencies

- **BB+, stable** Standard&Poor's
- **Ba1, stable** Moody's
- **BBB-, stable** FitchRatings

## Four Eurobond issues since 2019

- **EUR 600m, 4Y due 2024, 3.500% p.a.**
- **EUR 600m, 5Y due 2025, 2.125% p.a.**
- **EUR 550m, 7Y due 2026, 3.125% p.a.**
- **EUR 500m, 7Y due 2027, 3.250% p.a.**

[1] Cash conversion = Free cash flow / EBITDA; based on unaudited pro forma condensed consolidated financial information for 2017-2018, Annual Reports 2019 and 2020, and financial accounts for 1H2021



[www.ppftelecom.eu](http://www.ppftelecom.eu)

**THANK YOU FOR YOUR ATTENTION**

**Q&A**