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CREDIT OPINION
30 December 2022

Update

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RATINGS

PPF Telecom Group B.V.

Domicile	Netherlands
Long Term Rating	Ba1
Type	LT Corporate Family Ratings
Outlook	Negative

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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PPF Telecom Group B.V.

Update to credit analysis

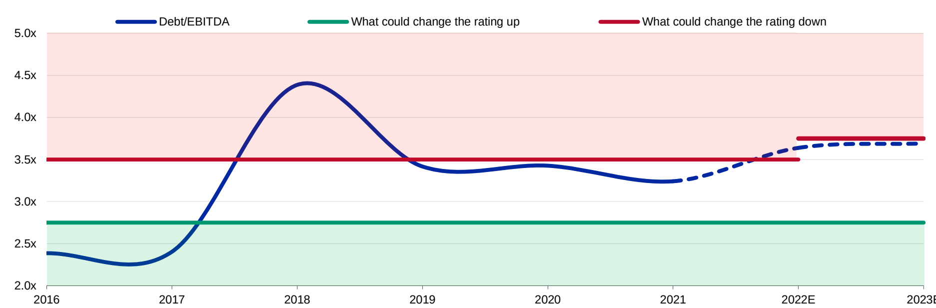
Summary

PPF Telecom Group B.V.'s (PPF Telecom) Ba1 corporate family rating (CFR) reflects the company's leading position as the integrated incumbent in the Czech Republic (Aa3 negative) with a corporate structure that separates the service provision from infrastructure management; the group's good geographical diversification in the Central and Eastern European (CEE) region; its higher revenue growth potential than the European average; its financial policy and commitment to maintain leverage within management's public guidance; and its good margins and solid operating cash flow generation.

The rating also reflects the group's moderate scale; the mobile-centric position of its assets in Hungary, Serbia and Bulgaria; its expected low Moody's-adjusted retained cash flow (RCF) as a result of large dividend payments, in line with its financial policy; and PPF Telecom's structurally subordinated position relative to debt raised at the operating companies.

Exhibit 1

We expect PPF Telecom's leverage to remain around 3.7x over the next 12-18 months
Moody's-adjusted debt/EBITDA (2016-23E)



On December 2022, we changed the leverage thresholds for the rating category to reflect the impact of the put option linked to the sale of 30% stake in CETIN Group to Government of Singapore Investment Corporation (GIC).
Source: Moody´s Investors Service

Credit strengths

- Leading position in the fixed and mobile markets in the Czech Republic
- Structural separation of infrastructure management and the service provision, and good geographical diversification in the CEE region
- Expectation of solid operating performance in the next 12-18 months
- Solid standalone financial profiles of CETIN Group N.V. (CETIN Group, Baa2 negative), CETIN a.s. (CETIN, Baa2 negative) and O2 Czech Republic a.s. (O2)
- Commitment to maintain leverage within management's public guidance

Credit challenges

- Moderate scale
- Weak free cash flow (FCF) because of high capital spending and dividend payments
- Mobile-centric position of its assets in Hungary, Serbia and Bulgaria
- Refinancing risk in the current higher interest rate environment because of the upcoming maturities in December 2023 and May 2024
- Presence of a significant amount of external debt at the operating companies, which leads to structural subordination for PPF Telecom debtholders

Rating outlook

The negative rating outlook reflects that PPF Telecom's leverage on a fully consolidated basis is around 3.75x, leaving no room for deviation in terms of operating performance. The negative outlook also reflects the refinancing risk associated with the upcoming maturities in December 2023 (€197 million) and May 2024 (€600 million).

Although the rating is weakly positioned in the rating category, we acknowledge management's track record of executing its strategy and maintaining leverage within the required thresholds.

Factors that could lead to an upgrade

Because of PPF Telecom's complex group structure, upward rating pressure is unlikely until the group simplifies the debt allocation within the broader group structure and devises a clearer policy on debt distribution between PPF Telecom and the operating subsidiaries to minimise structural subordination.

We could consider a rating upgrade if PPF Telecom's operating performance improves beyond our current expectation, such that its Moody's-adjusted debt/EBITDA remains comfortably below 2.75x (2.25x previously) and RCF/debt remains above 20% (25% previously) on a sustained basis.

Factors that could lead to a downgrade

We could downgrade the rating if PPF Telecom’s operating performance deteriorates or the company enters into debt-financed acquisitions, such that its Moody's-adjusted debt/EBITDA remains at 3.75x or higher (3.0x previously) on a fully consolidated basis and RCF/debt remains below 10% (15% previously). Additionally, negative rating pressure could be exerted if PPF Telecom's financial policies become more aggressive, the company needs to support lower-credit-quality entities within the broader PPF Group N.V. or its liquidity deteriorates.

Key indicators

Exhibit 2
PPF Telecom Group B.V.

€ millions	Dec-19	Dec-20	Dec-21	Dec-22 (proj)	Dec-23 (proj)
Revenue	3,162	3,159	3,336	3,578	3,730
Debt / EBITDA	3.4x	3.4x	3.2x	3.6x	3.7x
RCF / Debt	13.0%	10.4%	17.8%	0.7%	16.3%
(EBITDA - CAPEX) / Interest Expense	5.7x	6.1x	7.5x	5.6x	5.2x

Sources: Moody´s Financial Metrics™ and Moody's Investors Service estimates

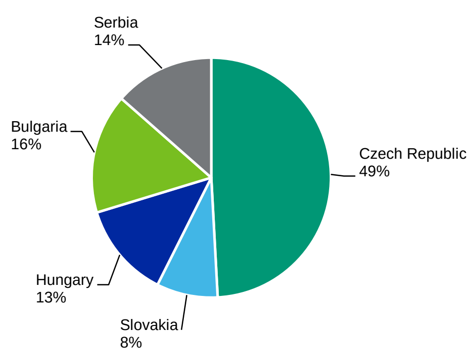
Profile

PPF Telecom Group B.V. (PPF Telecom) is a European telecommunications conglomerate with shareholdings in CETIN Group and CETIN (70%), O2 (100%), and three mobile operators in Hungary, Bulgaria and Serbia (all 100% owned, except Yettel Hungary, which is only 75% owned). The group reported €3.3 billion in total revenue and €1.6 billion in EBITDA after leases in 2021.

The company is ultimately 100% owned by PPF Group N.V., an investment company focused on activities mainly in telecommunications, real estate, media, banking and financial services. The company seeks investment opportunities in the developing markets in the CEE region and the Far East, as well as in the developed markets of Europe and the US. PPF Group N.V. is headquartered in Amsterdam, the Netherlands.

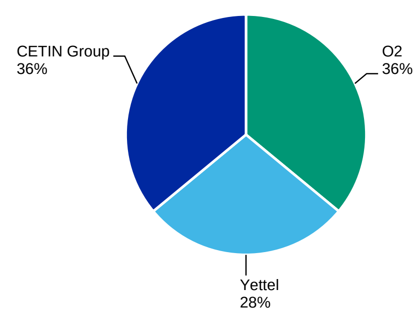
In 2020, PPF Telecom completed the separation of the infrastructure segment of its Telenor businesses in Bulgaria, Hungary and Serbia, and the incorporation of these newly created entities into the new CETIN Group, which also includes their infrastructure business in the Czech Republic through CETIN. In 2021, the group announced an agreement with GIC, a leading global investment firm based in Singapore, to sell a 30% stake in CETIN Group, completing the transaction in March 2022.

Exhibit 3
The Czech Republic is PPF Telecom's main country of operation
H1 2022 EBITDA split by geography



Source: Company reports

Exhibit 4
EBITDA is equivalently distributed across the business segments
H1 2022 EBITDA split by business segment



Source: Company reports

Detailed credit considerations

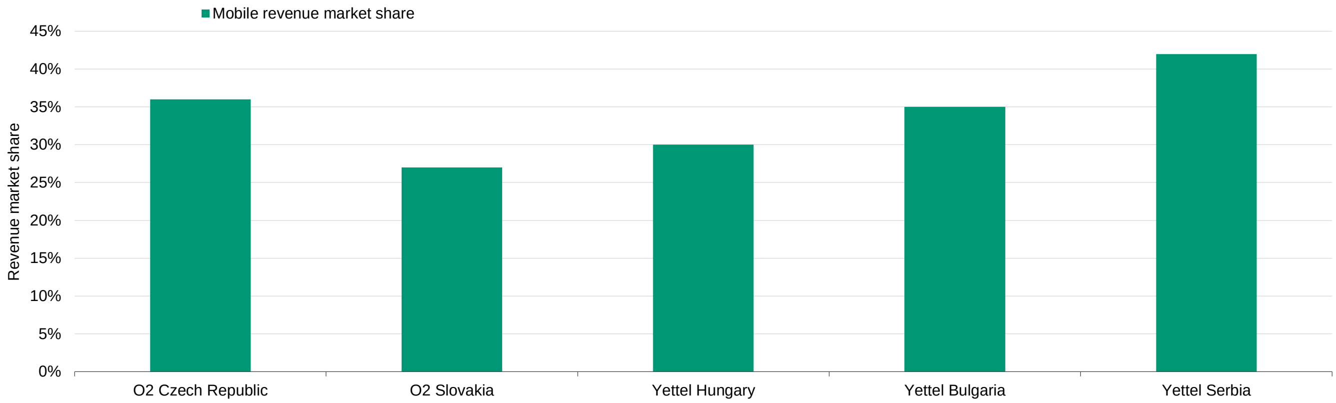
Leading integrated position in the Czech Republic and broad geographical diversification in the CEE region

PPF Telecom's rating reflects its leading position as the incumbent operator in the Czech Republic, with a 36% retail mobile market share and a 28% retail fixed broadband market share in terms of revenue as of March 2022. Additionally, the company holds a strong challenger position in Slovakia (a 27% mobile revenue market share), Hungary (30%), Bulgaria (35%) and Serbia (42%).

Exhibit 5

PPF Telecom is number one or two in most of the countries in which it operates

Mobile revenue market share by country as of March 2022



Source: Company reports

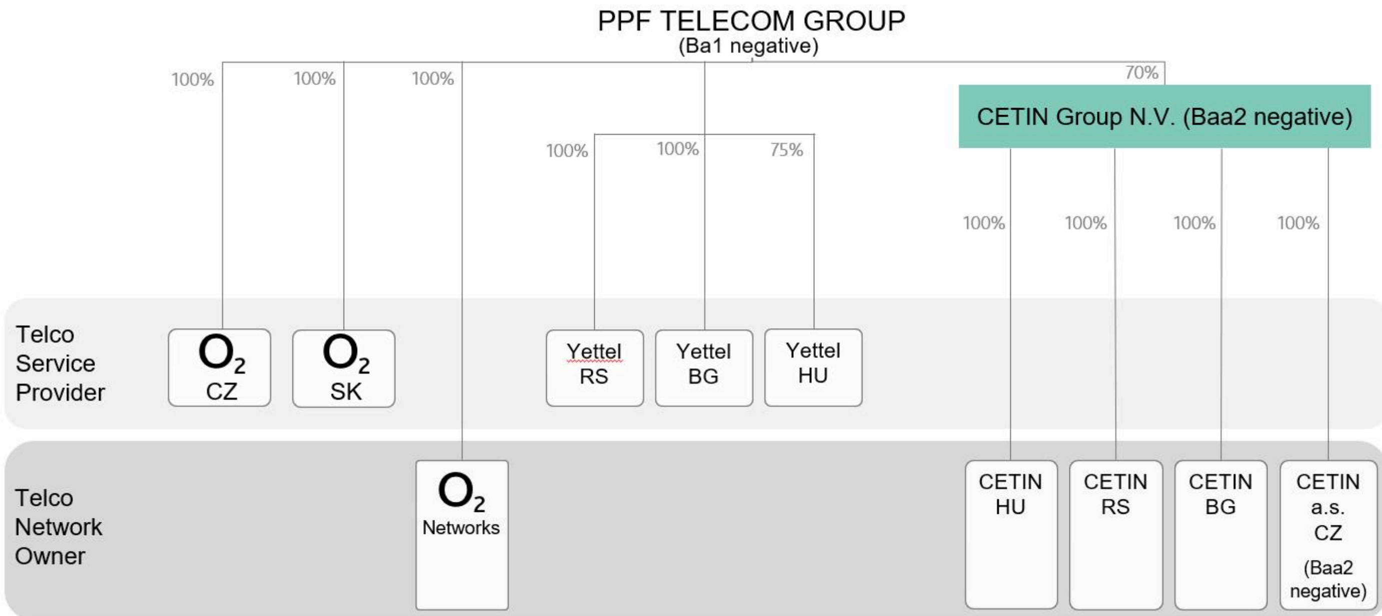
The company's strategy focuses on maintaining leading positions in all its markets by ensuring high-quality services and infrastructure, integrating and expanding the group's culture and know-how into Yettel CEE's operations, and maintaining sound and disciplined financial management and practices. The recent spectrum auctions in Bulgaria, including 2,100 MHz, 2,600 MHz and 3,700 MHz, and renewals in the Czech Republic, Slovakia, Hungary and Bulgaria have provided a clear picture of the competitive landscape because there was no fourth operator entering any of the markets, effectively removing the threat of new entrants. In addition, prices paid for spectrum have been lower than in other markets.

One of PPF Telecom's unique characteristics is its position as the leading integrated operator with a corporate structure that separates the service provision from infrastructure management. The voluntary separation of CETIN in Czech Republic took effect in June 2015, followed by the separation of CETIN in Hungary, Serbia and Bulgaria in July 2020. Management believes that this structural separation has eased regulatory constraints and allowed the group to streamline the business while optimising network utilisation and financial policy.

Exhibit 6

PPF Telecom is diversified as a telco service provider and network owner through its different subsidiaries

PPF Telecom's structure as of December 2022



Source: Company reports

Additionally, the company's cash flow is well diversified in terms of geography and business segments. Yettel and CETIN in Hungary, Bulgaria and Serbia generated around half of PPF Telecom's cash flow in 2021, while the other half was generated by O2 and CETIN Czechia. Yettel provides mobile services in the CEE region to around 10 million subscribers and generated reported EBITDA of €410 million in 2021, excluding CETIN in those regions. Yettel is the number one mobile operator in Bulgaria and Serbia, and number two in Hungary in terms of revenue market share. Yettel generated around 35% of the group's FCF in 2021, followed by O2 with 33% and CETIN Group with 32%, including CETIN Hungary, Bulgaria and Serbia.

O2 is the largest integrated telecommunications operator in the Czech Republic by market share. It offers fixed broadband (FBB), data internet protocol television (IPTV), information and communications technology (ICT), mobile, fixed voice, data centre housing and cloud services to consumers, businesses and the public segment. O2 is a 100% owned subsidiary after PPF Telecom acquired the 9.48% minority stake through a squeeze-out procedure.

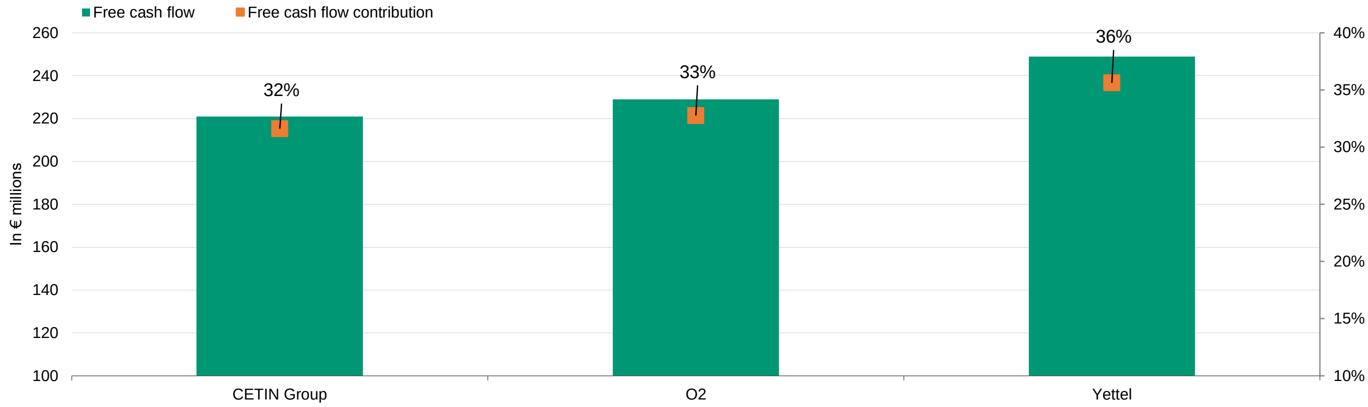
The company also operates in Slovakia through its subsidiary O2 Slovakia. This entity owned until June 2022 the network infrastructure of O2, which has been separated into a new subsidiary, O2 Networks. The separation applies retrospectively from January 2022. In Slovakia, O2 is the number three operator after Orange (Baa1 stable) and Slovak Telecom (T-Mobile), with a 27% mobile revenue market share as of September 2022.

CETIN is the Czech Republic's sole national telecommunications infrastructure provider with a strong market position. The company operates and manages fixed and mobile infrastructure in the Czech Republic, and provides transit services abroad, with a presence in Europe and Asia. The company has an adaptable and differentiated business model as a telecom infrastructure operator, underpinned by strong commercial agreements with O2 and T-Mobile. After the corporate restructuring, CETIN in the Czech Republic, together with CETIN in Hungary, Serbia and Bulgaria, fall under a broader new group, CETIN Group. The company expects this separation to strengthen the retail and infrastructure businesses, and enable the two separated entities in each country to wholly focus on two different market segments and meet the increasing demands of the CEE telecommunications market in the most efficient way.

Exhibit 7

FCF generation is evenly distributed across the three main business segments

PPF Telecom's reported FCF by subgroup in 2021 (left axis) and contribution to the group's FCF (right axis)



The company's definition of FCF is cash flow from operations and includes paid capital spending and proceeds from the sale of assets, and excludes the IFRS 16 effect.
Source: Company reports

Solid revenue growth, balancing service provision, infrastructure and international revenue

PPF Telecom's revenue increased by 4.5% in the first 6 months of 2022 compared to the same period in 2021, driven by upselling to the customer base in response to the continued significant demand for data and new product portfolios, and the positive momentum of the fixed business in the Czech Republic. Total revenue increased to €3.4 billion in June last-twelve-months (LTM) June 2022, from €3.3 billion in 2021.

We expect revenue to grow 7.3% in 2022 and 4.2% in 2023, driven by growth in all markets and price increases. Particularly, we expect solid growth in O2 as a result of good momentum of the mobile business in the Czech Republic and upselling opportunities in the CEE markets. We expect that PPF Telecom revenue growth will be higher than our expected gross domestic product (GDP) increase for the region, mainly due to the increasing prices pace. We forecast a GDP growth of slightly above 1% for the CEE region.

In 2021, O2's revenue grew in both of its markets by more than 5%, and the Czech mobile subscriber base increased by 1.3% to more than 6 million subscribers. In Slovakia, the customer base increased by 1% to more than 2.2 million subscribers.

Yettel's revenue increased significantly in 2021, including Hungary (6.75% revenue growth), Bulgaria (6.2% revenue growth) and Serbia (8.2% revenue growth, including Montenegro). The number of mobile subscribers increased by 1.8% to around 10 million, excluding those in Montenegro. Management expects good performance in all the three markets in 2022 as a result of growth in mobile revenue, higher average revenue per user (ARPU), upselling to customers and its high-quality mobile network.

CETIN Group reported revenue increased of 10.2% in the first 6 months of 2022 compared to the same period in 2021 (excluding transit revenue), mainly driven by Czech Republic segment. We expect CETIN Group's mobile revenue to continue to grow as a result of network upgrades and new network construction contracts. The telecommunications market in the Czech Republic has stabilised, and we expect fixed revenue to grow, given the signs of stabilisation in O2's churn and xDSL line growth from new customers because of CETIN's past investments in the network.

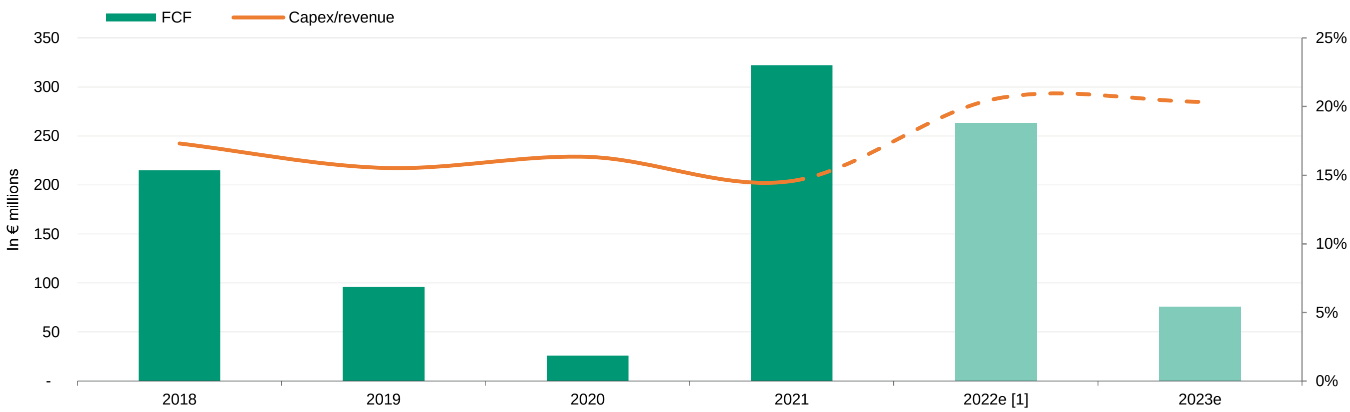
PPF Telecom's reported EBITDA was up 7.2% in the first 6 months of 2022 compared to the same period in 2021, driven by growth in all businesses and countries in which the group operates, and also supported by cost stabilisation. Inflation for the CEE region as of September 2022 is relatively higher than the European Union average, which has impacted operating costs of the company. Energy costs has increased by a 60% from June 2021 to June 2022, while personnel costs has increased by a 9% for the same period.

However, we expect the company's Moody's-adjusted EBITDA to be flat in the next two years, as cost inflation pressures are likely to offset revenue increase, and slightly deteriorate profitability margins.

Diversified operating cash flow generation, but FCF is constrained by sustained capital spending investments and high dividend payments

In the Czech Republic, CETIN is the only operator with a copper network, covering around 85% of households. Despite the fibre rollout, the copper network will remain crucial for last-mile access. In the mobile segment, the company's mobile coverage extends to 100% of the Czech population through a network-sharing agreement with T-Mobile. The company also operates its own mobile network in the CEE region, with 100% 4G coverage in Hungary (through a network-sharing agreement with T-Mobile), 97% in Bulgaria and 97% in Serbia as of September 2021.

Exhibit 8
Moody's-adjusted FCF (left axis) and Moody's-adjusted capital spending/revenue



[1] FCF in 2022 does not include any extraordinary dividend payments related to the cash proceeds generated by the 30% CETIN Group stake sale.
Source: Moody's Investors Service

We expect the group's capital spending/sales (excluding spectrum) to increase at 21% over the next two years. A larger part of the investment will be executed by CETIN, with capital spending/sales of 33%-35%. We expect both Yettel's and O2's capital investments to also increase as a percentage of sales. We expect the company's Moody's-adjusted FCF (after dividends according to our definition) to decrease in 2022 and 2023 as a result of a step-up in capital spending in mobile infrastructure and fixed network, and dividend payment increase. The company will face spectrum payments in the next two years in Serbia and Bulgaria.

Limited prospects for leverage reduction

We expect Moody's-adjusted group leverage to be 3.6x-3.8x in the next 12-18 months, which is equivalent to the company's net debt of 3.2x-3.4x, including lease and put option liabilities. The company aims to maintain reported net consolidated leverage below 3.2x, excluding lease liabilities and put option liabilities. The company's reported net leverage was 2.5x as of June 2022. We estimate that the group will distribute most of its FCF, such that it maintains leverage within the stated range.

We do not expect significant M&A transactions in the next two years. Additionally, the company may consider small bolt-on acquisitions from time to time. PPF Telecom's rating reflects our expectation that small acquisitions will not have a significant impact on its leverage.

Broadly diversified owner with exposure to different geographies and sectors, with weaker credit quality than the telecoms business

PPF Telecom is indirectly owned by PPF Group N.V., a conglomerate with activities mainly in telecommunications, media, banking and financial services, with significant exposure to China (supervised by European banking regulations), and real estate. These other activities outside PPF Telecom have lower credit quality and, therefore, are subject to the marginal risk of needing financial support. However, PPF Telecom, being the strongest cash contributor to PPF Group N.V., has clearly defined and publicly communicated its financial policy (including dividend distributions within leverage objectives), which will be a key determinant to the future cash flow distribution within the broader group.

PPF Group has recently sold most of its assets in Russia, mainly in the Financial and Real Estate segments, generating some cash proceeds of around 380 million. However, the exit from Russia has generated a large accounting loss for the group, amounting to around 940 million in H1 2022.

Exhibit 9

Telecommunications represents around 40% of PPF Group NV's revenue generation but generates most of PPF Group's profits

PPF Group NV's segmental data

PPF Group N.V. (EUR million, LTM June 2022)	Financial Services	Telecommunications	Media	Real Estate	Insurance	Mechanical engineering	Other
Total Revenues	3,044	3,409	737	250	74	727	182
Net profit/(loss) for the period	-1,269	638	118	-19	9	26	196
Assets	22,616	7,742	2,217	3,508	355	1,215	3,351
Liabilities	20,429	7,077	1,184	2,291	279	808	955
Equity	2,187	665	1,033	1,217	76	407	2,396
% Revenues	36.1%	40.5%	8.7%	3.0%	0.9%	8.6%	2.2%
% Assets	55.16%	18.88%	5.4%	8.56%	0.9%	3.0%	8.2%
% Liabilities	61.9%	21.4%	3.6%	6.9%	0.8%	2.4%	2.9%

Source: Company reports

ESG considerations

PPF Telecom Group B.V.'s ESG Credit Impact Score is Moderately Negative CIS-3

Exhibit 10

ESG Credit Impact Score

CIS-3

Moderately Negative

For an issuer scored CIS-3 (Moderately Negative), its ESG attributes are overall considered as having a limited impact on the current rating, with greater potential for future negative impact over time. The negative influence of the overall ESG attributes on the rating is more pronounced compared to an issuer scored CIS-2.

Source: Moody's Investors Service

PPF's ESG Credit Impact Score is Moderately Negative (**CIS-3**). ESG attributes have some negative credit impact on PPF's rating, as the group´s financial policy, complex structure and leverage tolerance suggests moderately high risk. PPF is characterized by a strong track record of managing the environmental and social risks. The group, through its opcos' ability to innovate and adapt to customers' sustainability requirements, helps mitigate its exposures to energy consumption, data privacy and societal trends over time.

Exhibit 11
ESG Issuer Profile Scores

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E-2	S-3	G-3
Neutral-to-Low	Moderately Negative	Moderately Negative

Source: Moody's Investors Service

Environmental

The company's exposure to environmental risks is Neutral-to-Low, in line with exposures of the telecommunications industry. The company's objectives to increase renewable power usage is in line with telecommunications industry trends. The nature of its telecommunications activities, with limited exposure to physical climate risk and very low emissions of pollutants and carbon, results in low environmental risk.

Social

Social risks are moderately negative for PPF Telecom, as it faces exposure to well entrenched labour unions and changing demographic and societal trends towards the use of telecom related technology. This is partially mitigated through the group's end products and services which include the ability to adapt its services to cater to its customers' requirements. Data security and data privacy issues are prominent in the sector. Telecommunications providers exchange large amounts of data, and a breach could cause legal, regulatory or reputation issues. In addition, a breach could result in increased operational costs to mitigate cyberattacks and reduce exposure to the loss of private data. Electromagnetic radiation (for example, from mobile antennas or mobile handsets) has repeatedly been said to be potentially harmful to the environment and health. While the need for higher mobile data speeds will increase electromagnetic radiation, we do not see it as a significant environmental risk, given the existing regulatory radiation limits and ongoing technology improvements.

Governance

PPF has moderately negative exposure to governance factors as highlighted by its weak financial metrics together with a complex and evolving corporate structure. PPF Telecom has a complex structure, with debt allocated across the holding company and the operating subsidiaries. About 55% of debt was raised at PPF Telecom, with the balance being allocated to CETIN Group (40%, including CETIN a.s.) and O2 (5%) as of December 2022. PPF Telecom is a holding company that relies entirely and exclusively on the cash flow and dividend upstreamed from its operating companies to support its cash needs, mainly interest cost. Although the contribution from CETIN Group amounted to about 38% of the total cash upstreamed from subsidiaries, lenders at PPF Telecom benefit from the value of CETIN Group and its subsidiaries. We note the complexity of the broader group of companies outside PPF Telecom and the fact that the entire group is owned and controlled by one major shareholder. We expect PPF Telecom to perform within the stated operating and financial strategies, maintaining shareholder remunerations within its dividend payout limits.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

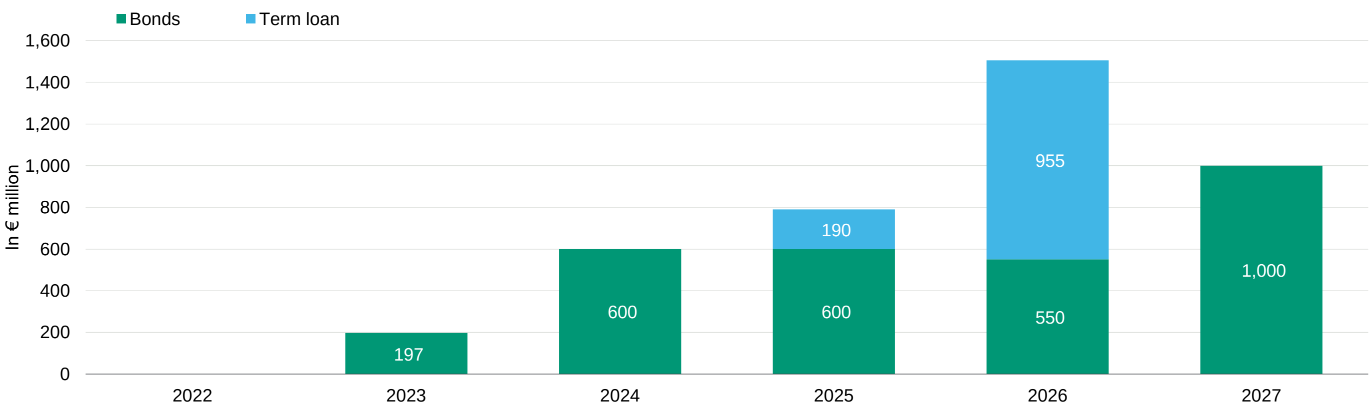
Liquidity analysis

PPF Telecom's liquidity is currently adequate, but the company faces upcoming debt maturities in 2023 and 2024 that we expect will be refinanced at least 1 year ahead of maturity. PPF Telecom's current liquidity, including with cash and cash equivalents of €501 million as of June 2022 and a fully undrawn €200 million revolving credit facility, maturing in 2026, does not fully cover the roughly €800 million of upcoming maturities in December 2023 and May 2024.

The company had ample capacity under the covenants as of June 2022 (with proportionate net debt/EBITDA of 4.5x and interest coverage of 3.0x).

Its internally generated cash flow (defined as EBITDA net of cash interest, tax obligations and dividends received) of around €1.2 billion per year can cover annual capital spending of around €966 million (including lease payments and the estimated spectrum payment in 2022) and cash dividends of €200 million-€300 million per year.

Exhibit 12
PPF Telecom has material refinancing needs over the next 12-18 months
Debt maturity profile as of December 2022



Source: Company

Structural considerations

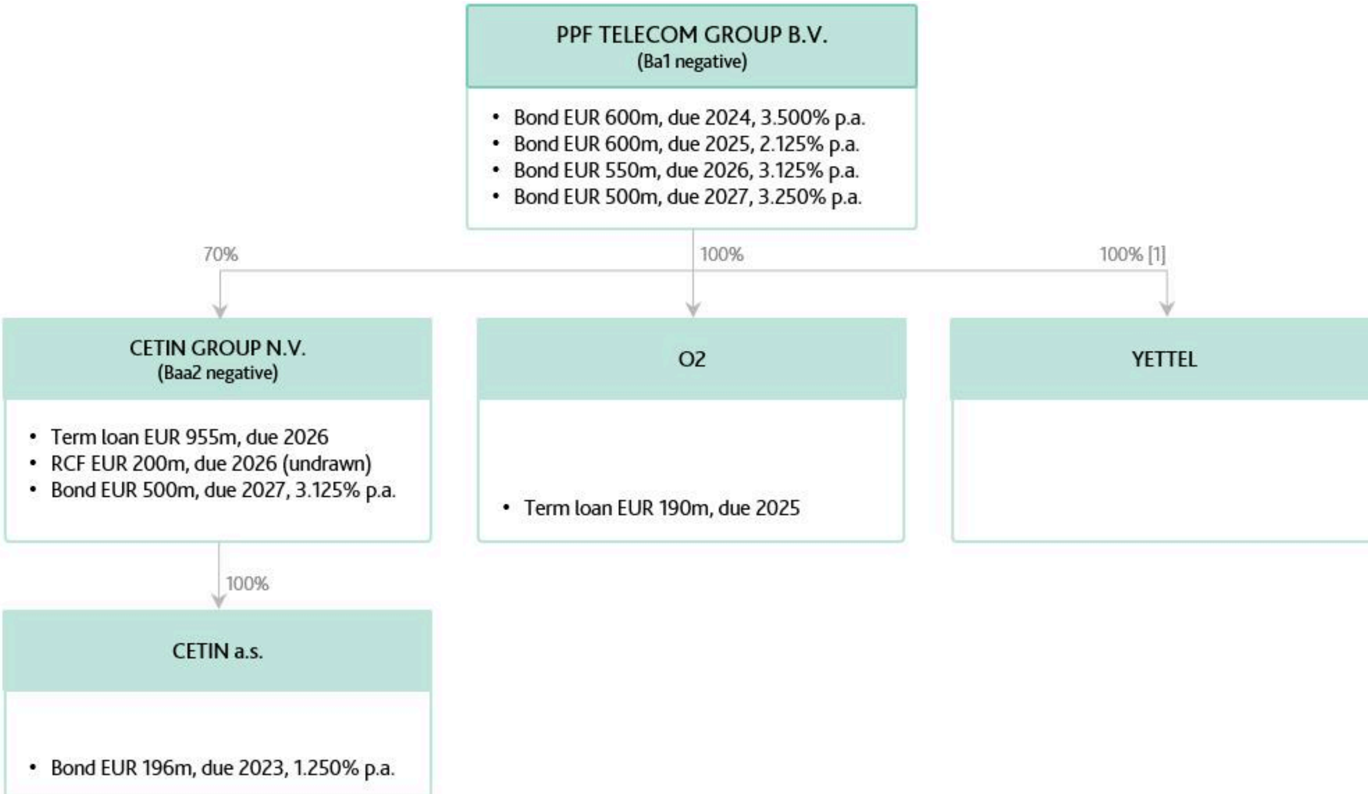
The group has a complex structure, with debt allocated across the holding company and the operating subsidiaries. As of September 2022, more than 55% of debt was raised at PPF Telecom (including four bonds amounting to €2.3 billion), with the balance being allocated to CETIN Group (40%) and O2 (5%).

As of December 2022, financial debt at the operating subsidiaries included €500 million in bonds and €955 million in term loans at the CETIN Group level; a CZK4.8 billion bond issued by CETIN; and a CZK7 billion term loan at the O2 level.

Regarding the Loss Given Default (LGD) assessment for PPF Telecom, we assume a family recovery rate of 50% as is customary for capital structures that include bank loans and bonds. As a result, the probability of default rating of Ba1-PD is in line with the CFR.

The LGD assessment only includes financial liabilities at the PPF Telecom level and excludes debt at the operating entities. However, we have considered the rating of the operating entity (CETIN) relative to the holding company (PPF Telecom). The two-notch gap reflects the structurally subordinated position of PPF Telecom's bondholders.

Exhibit 13
Around half of the group's debt is sitting at PPF Telecom level
PPF Telecom as of December 2022



[1] Except for Yettel Hungary, which is 75% owned by PPF Telecom
Source: Company reports

Accounting considerations

The 30% equity stake sale of CETIN Group to GIC agreement includes a put option to GIC for its 30% share in CETIN Group for the fair value of the share as at the exercise date of the option. One of the conditions of the put option may be exercised by GIC in case there is an unapproved change of control at PPF Group and/or PPF Telecom. The company has therefore recognised a put option liability of €983 million as of June 2022.

We have considered the arising put option liability as part of our Moody's adjusted gros debt, following our general treatment of accounted put options.

Methodology and scorecard

The principal methodology used in rating PPF Telecom is our Telecommunications Service Providers rating methodology, published in September 2022. The scorecard-indicated outcome for our 12-18-month forward view is Ba1, in line with the rating assigned.

Exhibit 14

Rating factors

PPF Telecom Group B.V.

Telecommunications Service Providers Industry Scorecard [1][2]	Current FY 12/31/2021		Moody's 12-18 Month Forward View As of 12/15/2022 [3][4]	
Factor 1 : Scale (12.5%)	**Measure**	**Score**	**Measure**	**Score**
a) Revenue (USD Billion)	$4.0	B	$3.8	B
Factor 2 : Business Profile (27.5%)				
a) Business Model, Competitive Environment and Technical Positioning	A	A	A	A
b) Regulatory Environment	Ba	Ba	Ba	Ba
c) Market Share	Baa	Baa	Baa	Baa
Factor 3 : Profitability and Efficiency (10%)				
a) Revenue Trend and Margin Sustainability	Baa	Baa	Baa	Baa
Factor 4 : Leverage and Coverage (35%)				
a) Debt / EBITDA	3.2x	Ba	3.6x-3.7x	Ba
b) RCF / Debt	15.8%	B	0.7%-16.3%	Caa
c) (EBITDA - CAPEX) / Interest Expense	7.5x	Aa	5.2x-5.4x	A
Factor 5 : Financial Policy (15%)				
a) Financial Policy	Ba	Ba	Ba	Ba
Rating:				
a) Scorecard-Indicated Outcome		Baa3		Ba1
b) Actual Rating Assigned				Ba1

[1] All ratios are based on adjusted financial data and incorporate our Global Standard Adjustments for Nonfinancial Corporations.
[2] As of 12/31/2021.
[3] This represents our forward view, not the view of the issuer, and unless noted in the text, does not incorporate significant acquisitions and divestitures.
[4] RCF/debt includes an extraordinary dividend payment related to the cash proceeds generated by the 30% CETIN Group stake sale.
Source: Moody´s Investors Service

Ratings

Exhibit 15

Category	Moody's Rating
PPF TELECOM GROUP B.V.	
Outlook	Negative
Corporate Family Rating	Ba1
Bkd Senior Secured -Dom Curr	Ba1/LGD4
CETIN A.S.	
Outlook	Negative
Issuer Rating	Baa2
CETIN FINANCE B.V.	
Outlook	Negative
Bkd Senior Unsecured	Baa2
CETIN GROUP N.V.	
Outlook	Negative
Issuer Rating	Baa2
Senior Unsecured -Dom Curr	Baa2

Source: Moody's Investors Service

Appendix

Exhibit 16
Peer comparison

(in USD million)	PPF Telecom Group B.V. Ba1 Negative FYE Dec-20	FYE Dec-21	LTM Jun-22	Telekom Austria AG (P)Baa1 Stable FYE Dec-20	FYE Dec-21	LTM Sep-22	Koninklijke KPN N.V. Baa3 Stable FYE Dec-20	FYE Dec-21	LTM Jun-22	Cyfrowy Polsat S.A. Ba3 Negative FYE Dec-20	FYE Dec-21	LTM Sep-22
Revenue	3,605	3,947	3,845	5,095	5,521	5,228	6,030	6,236	5,990	3,074	3,226	2,973
EBITDA	1,570	1,821	1,861	1,771	2,016	1,961	2,813	2,931	2,833	1,053	1,078	845
Total Debt	5,769	5,688	5,995	4,377	4,028	2,816	9,291	8,748	7,423	3,764	2,876	2,186
Cash & Cash Equivalents	967	714	524	258	608	169	1,061	1,243	458	364	901	321
EBITDA margin %	43.6%	46.1%	48.4%	34.8%	36.5%	37.5%	46.7%	47.0%	47.3%	34.3%	33.4%	28.4%
(EBITDA - Capex) / Interest Expense	6.1x	7.5x	6.8x	6.0x	6.6x	9.9x	4.7x	4.9x	5.6x	7.0x	9.4x	3.9x
Debt / EBITDA	3.4x	3.3x	3.5x	2.3x	2.1x	1.6x	3.1x	3.1x	2.8x	3.4x	2.8x	3.0x
FCF / Debt	0.6%	4.5%	-18.0%	9.2%	8.9%	11.6%	3.6%	3.1%	4.8%	7.8%	3.2%	-2.8%
RCF / Debt	10.4%	15.8%	-3.7%	35.0%	37.2%	48.5%	21.0%	17.7%	21.4%	19.0%	11.2%	-0.4%

All figures and ratios are calculated using our estimates and standard adjustments. FYE = Financial year end. LTM = Last 12 months.
Source: Moody's Financial Metrics™

Exhibit 17
Moody's-adjusted debt breakdown

(in EUR million)	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21
As Reported Total Debt	1,618	3,957	4,534	4,715	5,002
Leases	207	396	0	0	0
Moody's Adjusted Total Debt	1,825	4,353	4,534	4,715	5,002

Source: Moody's Financial Metrics™

Exhibit 18
Moody's-adjusted EBITDA breakdown

(in EUR million)	FYE Dec-17	FYE Dec-18	FYE Dec-19	FYE Dec-20	FYE Dec-21
As Reported EBITDA	704	860	1,327	1,376	1,539
Leases	57	132	0	0	0
Moody's Adjusted EBITDA	759	992	1,327	1,376	1,539

Source: Moody's Financial Metrics™

Exhibit 19

Select historical and projected Moody's-adjusted financial data

PPF Telecom Group B.V.

(in EUR million)	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	2022 proj [1] [2]	2023 proj [2]
INCOME STATEMENT							
Revenue	1,826	2,415	3,162	3,159	3,336	3,578	3,730
EBITDA	759	992	1,327	1,376	1,539	1,548	1,541
BALANCE SHEET							
Cash & Cash Equivalents	182	262	795	790	633	371	402
Total Debt	1,825	4,353	4,534	4,715	5,002	5,633	5,689
CASH FLOW							
Capital Expenditures	(370)	(418)	(491)	(516)	(486)	(736)	(761)
Dividends	(236)	(210)	(556)	(674)	(439)	(195)	(350)
Retained Cash Flow (RCF)	405	688	589	490	892	1,071	925
RCF / Debt	22.2%	15.8%	13.0%	10.4%	17.8%	19.0%	16.3%
Free Cash Flow (FCF)	18	215	96	26	322	263	75
FCF / Debt	1.0%	4.9%	2.1%	0.6%	6.4%	4.7%	1.3%
PROFITABILITY							
% Change in Sales (YoY)	4.7%	32.3%	30.9%	-0.1%	5.6%	7.3%	4.2%
EBITDA margin %	41.6%	41.1%	42.0%	43.6%	46.1%	43.3%	41.3%
INTEREST COVERAGE							
EBITDA / Interest Expense	23.4x	11.3x	9.1x	9.8x	10.9x	10.7x	10.3x
(EBITDA - Capex) / Interest Expense	12.0x	6.5x	5.7x	6.1x	7.5x	5.6x	5.2x
LEVERAGE							
Debt / EBITDA	2.4x	4.4x	3.4x	3.4x	3.2x	3.6x	3.7x

[1] Any extraordinary dividend payment related to the cash proceeds generated by the 30% CETIN Group stake sale is excluded from dividend, RCF and FCF metrics.
[2] Total debt and related metrics include the put option liability of GIC to sell its 30% stake in CETIN Group to PPF Telecom.
Sources: Moody's Financial Metrics™ and Moody's Investors Service estimates

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