



# Q1 2021 Results

27 May 2021

Tele Columbus AG

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All figures in this presentation are calculated based on exact numbers and results are rounded to appropriate accuracy.

# Agenda

**1. Key Messages**

***Dr Daniel Ritz (CEO)***

**2. Operational Update & KPIs**

***Dr Daniel Ritz (CEO)***

**3. Financial Performance**

***Eike Walters (CFO)***

**4. Outlook**

***Dr Daniel Ritz (CEO)***

**5. Q&A**

# Key Messages - Q1 2021

## Operational

- **Improving Internet and Telephony net add performance** in Q1 2021 (+8k / +5k)
  - **CATV challenges remain (-14k net adds), Premium TV net adds continue to grow (+3k)**
  - **NPS scores now firmly in positive territory**, some further improvements
  - **Q1 B2B revenues increase by 27% YoY** to EUR 17.3 million, largely due to **year-end phasing effects - growth rate hence not sustainable**
- 

## Financial

- **Q1 core revenues** (excl construction work) **up 3% YoY** to EUR 118.9 million
  - **Q1 Reported EBITDA down 16% YoY** to EUR 46.5 million due to transaction-related non-recs
  - **Q1 Capex up 8% YoY at EUR 32.5 million**
- 

## Strategic

- **Take over by Kublai** closed successfully in April
- **EUR 475 million capital increase** successfully executed in May, Kublai shareholding now at 94.4%
- **AGM** scheduled for 28 May including appointment of new supervisory board

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**4. Strategy Update**

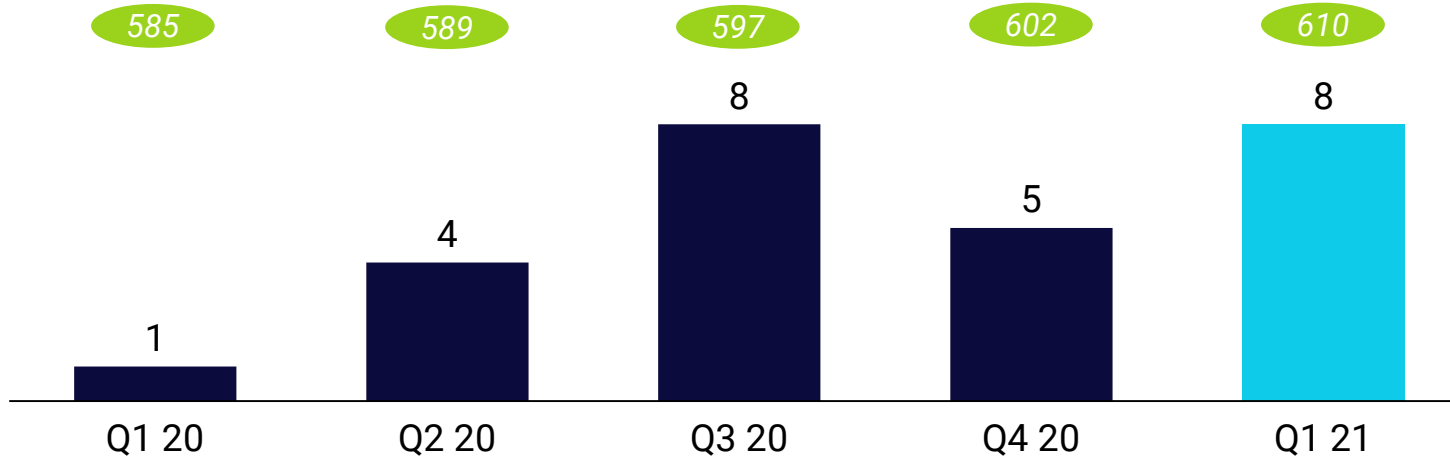
***Dr Daniel Ritz (CEO)***

**5. Q&A**

# Operational Update & KPIs: Customer base growth gaining traction

## Internet<sup>1</sup> RGU net change

Thousands, rounding differences might occur

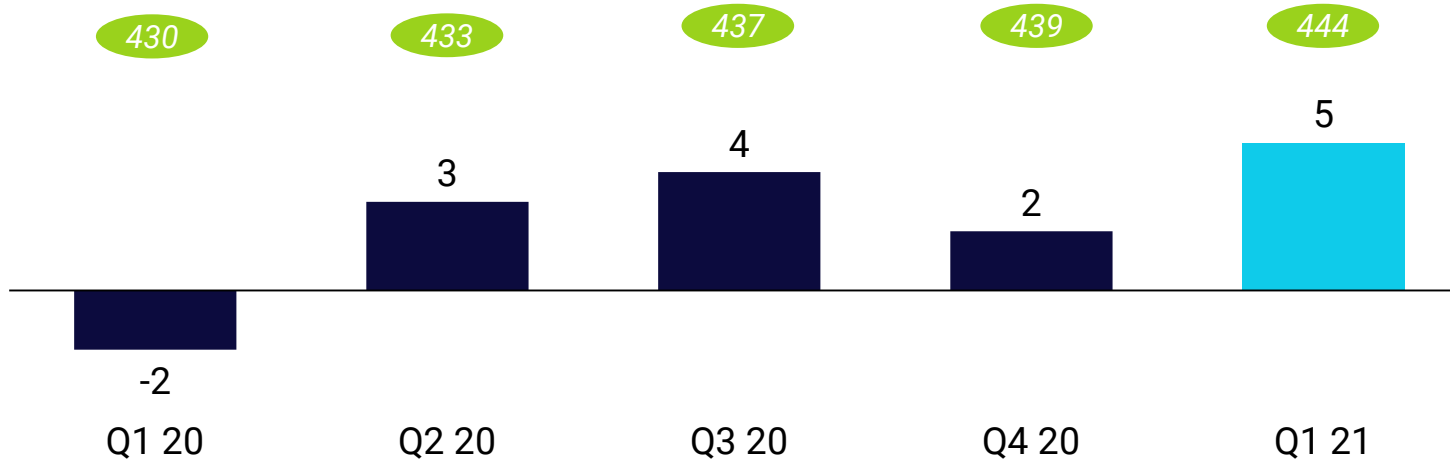


### Internet

- Strong start to the year with 8k IP net adds in Q1
- Net adds materially better YoY

## Telephony<sup>2</sup> RGU net change

Thousands, rounding differences might occur



### Telephony

- Customer base growth in fixed-line telephony linked to good IP performance

6 ### Absolute RGUs, thousands

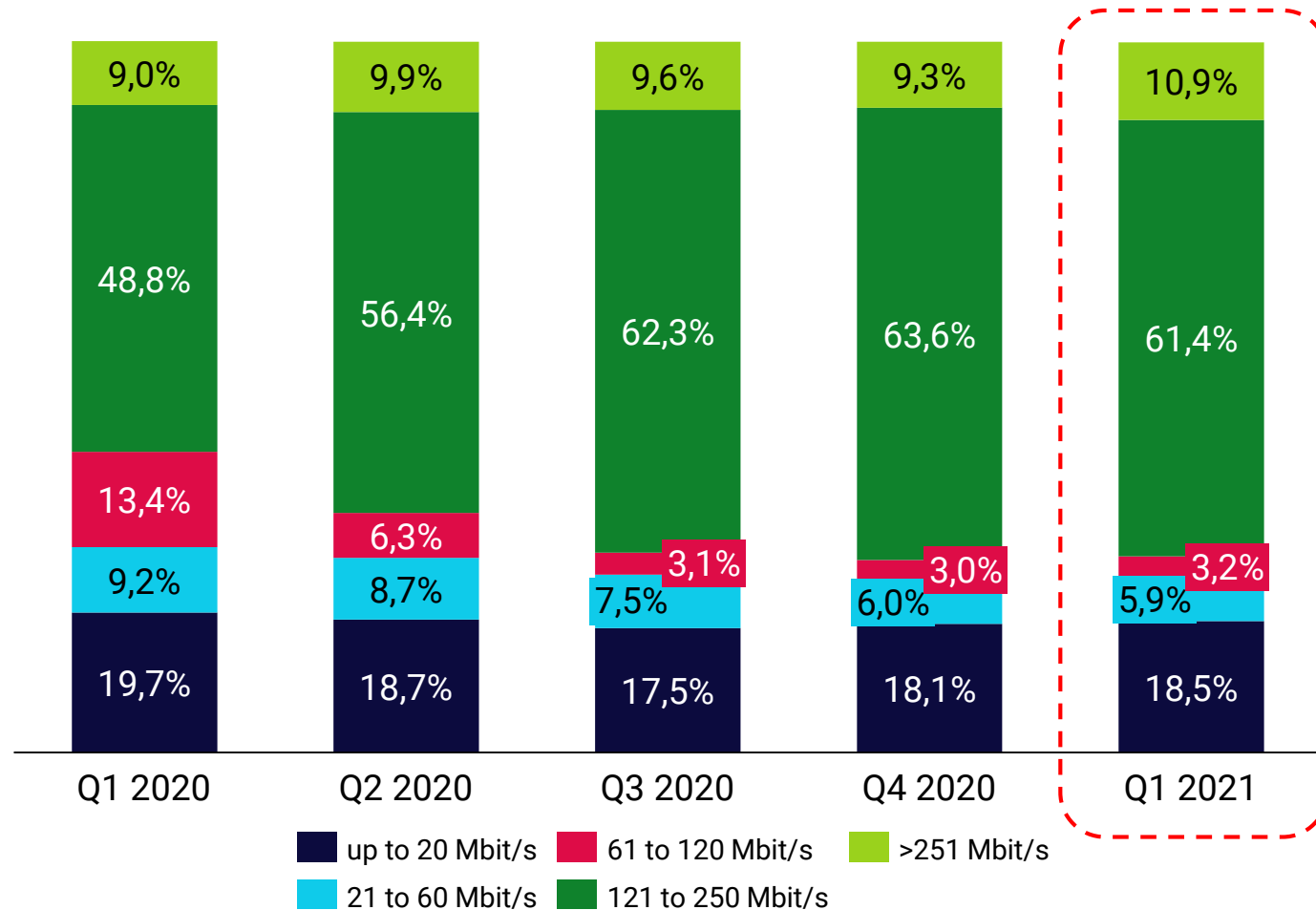
1) Internet RGUs include individually billed B2C, B2B and 94k bulk RGUs as of Q1'21

2) Telephony RGUs include individually billed B2C, B2B and exclude 94k bulk RGUs as of Q1'21

# Operational Update & KPIs: Demand for higher bandwidths remains resilient

## Quarterly gross adds<sup>1</sup>

Ordered bandwidth as % of total gross adds, rounding differences might occur



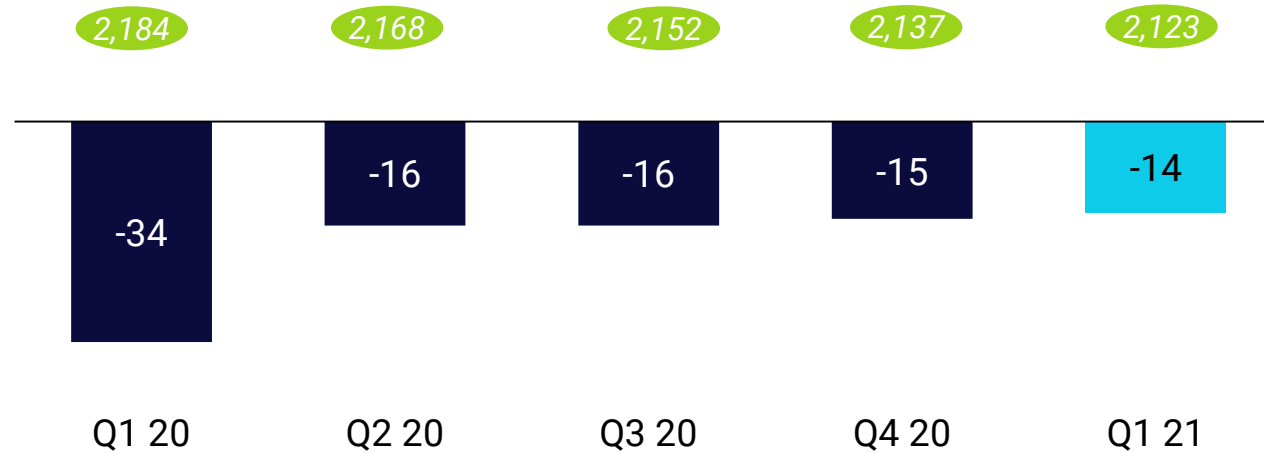
- **More than 70%** of gross adds choose **high-speed tariffs**, share of top tier >250 Mbit/s beginning to grow
- **>80%** of new customers opt for **24 month tariffs**, higher bandwidth overcompensates discount
- Ongoing and future **marketing efforts** focused on further **increasing top speed tiers** with highest ARPUs

<sup>7</sup> 1) Excluding bulk internet RGUs

# Operational Update & KPIs: CATV challenges continue, Premium TV improved

## CATV RGUs net change

Thousands, rounding differences might occur

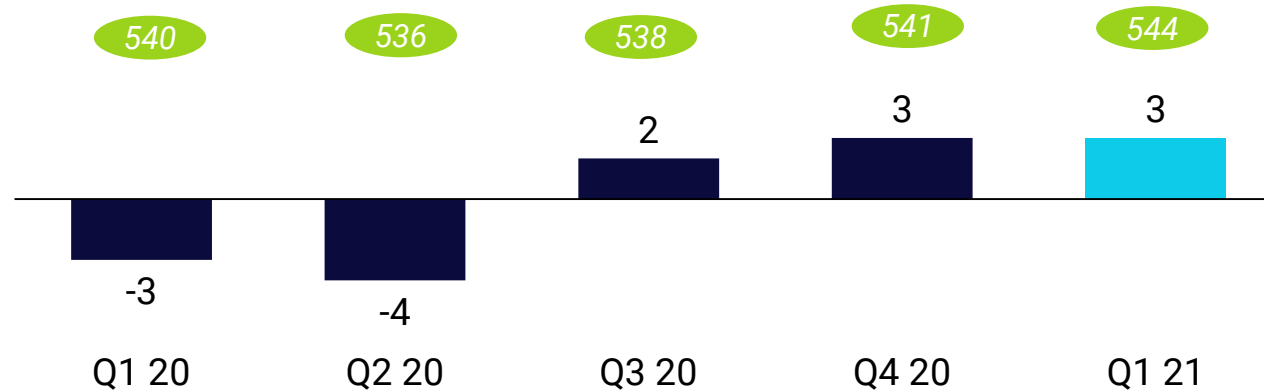


## CATV

- Customer base continues to **shrink** by 14k RGUs in Q1
- **Shrinkage less** than in first quarter 2020, some phasing effects

## Premium TV RGUs net change

Thousands, rounding differences might occur



## Premium TV

- **RGU growth** continues on the back of ongoing marketing efforts
- **Third consecutive quarter** of positive net adds

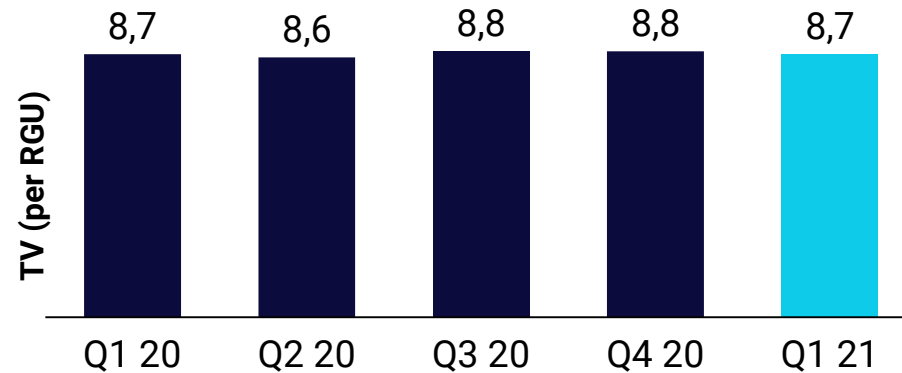
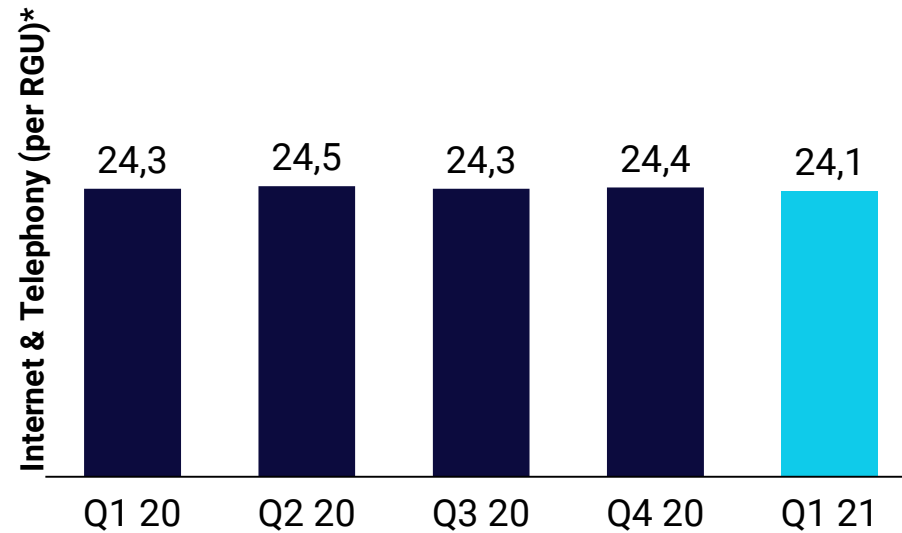
**###** Absolute RGUs, thousands



# Operational Update & KPIs: Mixed picture on ARPUs

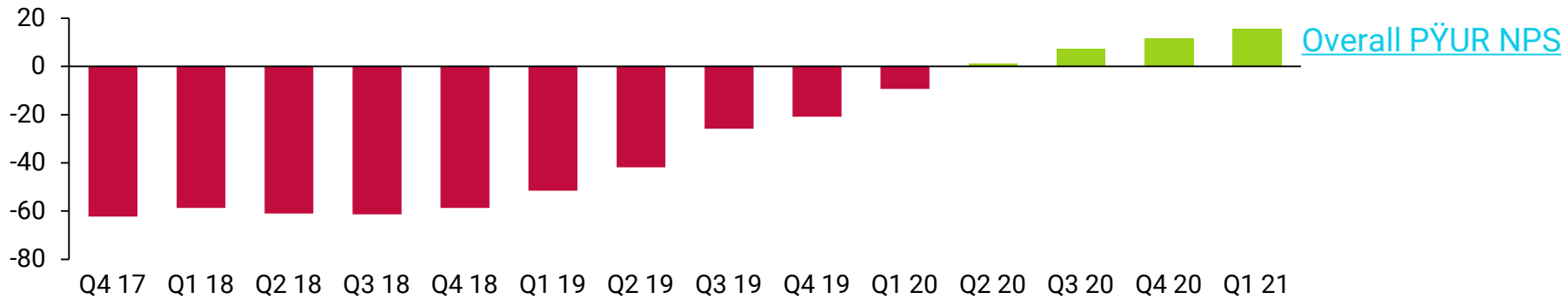
## ARPUs

EUR, rounding differences might occur

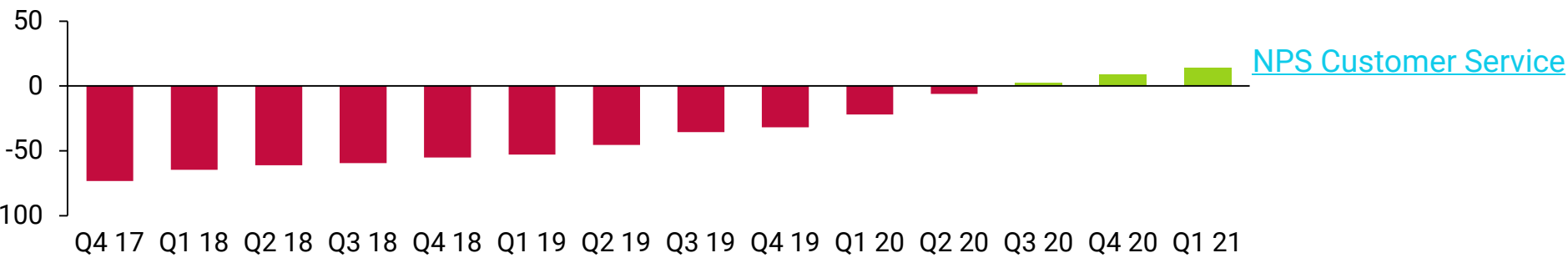


- Slight decrease in ARPU driven by lower Telephony revenues & negative phasing effects in Internet revenues
- Relatively stable TV ARPU QoQ and YoY despite RGU losses

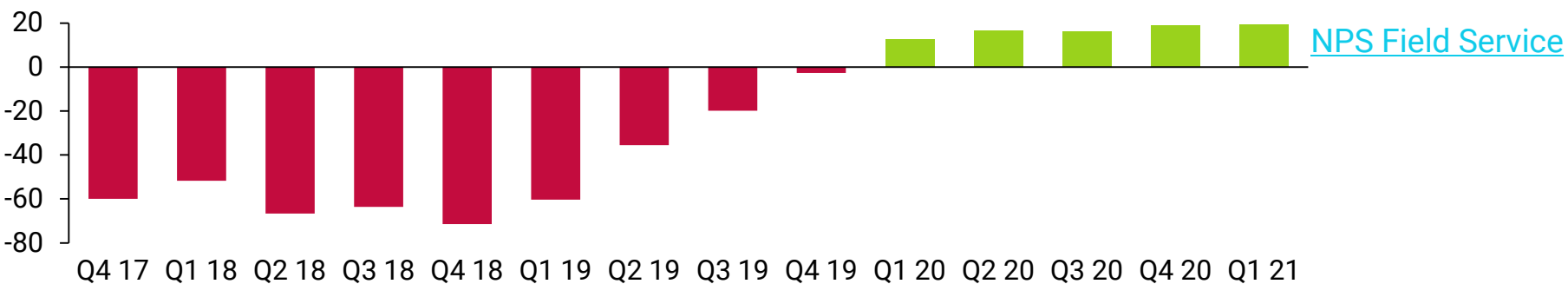
# Operational Update & KPIs: NPS scores now firmly in positive territory



- **Overall PÝUR NPS**  
positive, still room for improvement

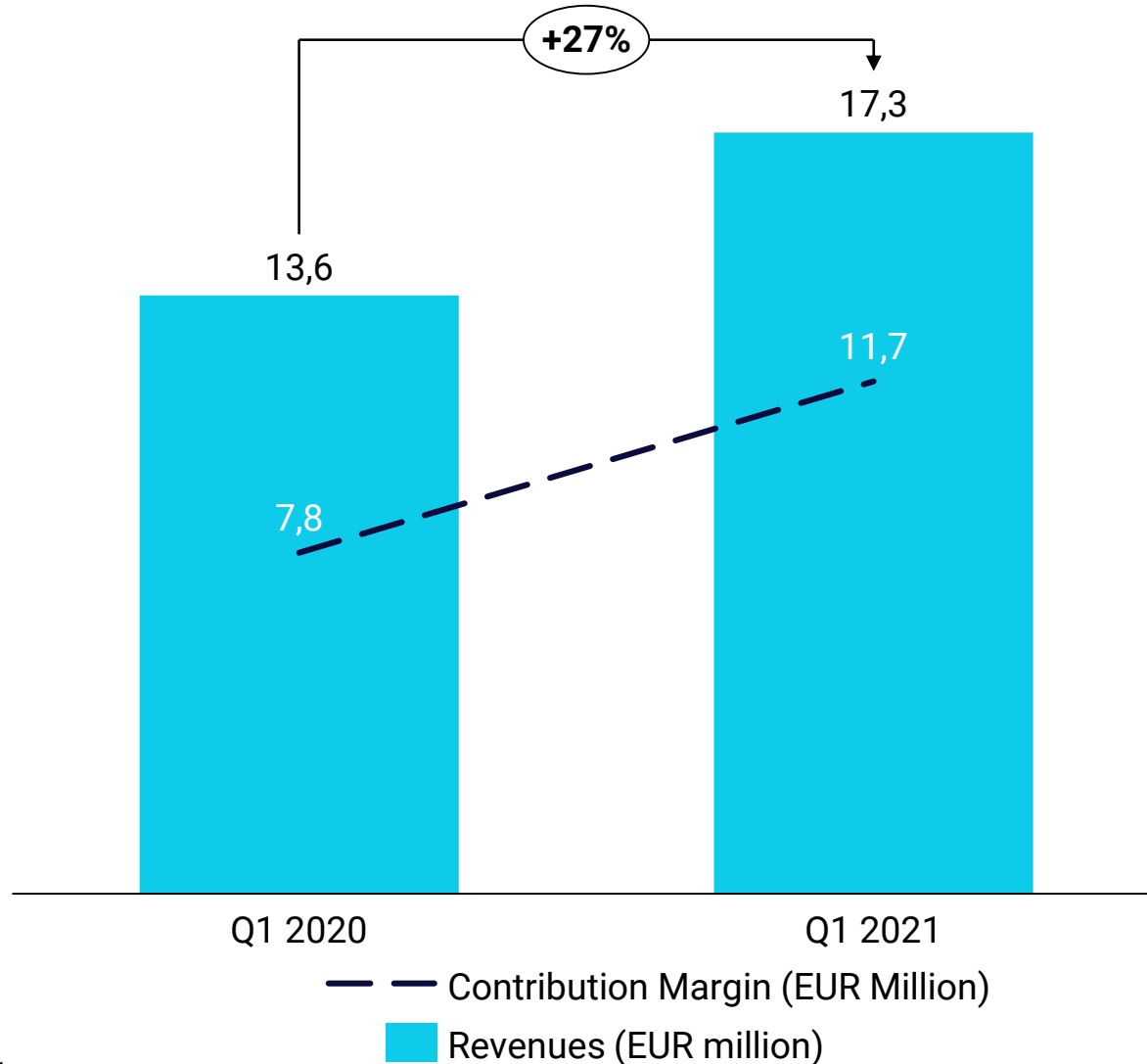


- **Customer Service NPS**  
positive for the third consecutive quarter



- **Field Service NPS**  
continues positively in 2021

# Operational Update & KPIs: B2B benefits from year-end phasing effects



- **Q1 revenues up by 27% YoY**, largely due to year-end phasing effects and hence not sustainable
- **Q1 contribution margin** up by EUR 3.9 million YoY as a result of the year-end phasing effects
- Expect **some headwinds** for the remaining nine months of 2021 due to **project delays**

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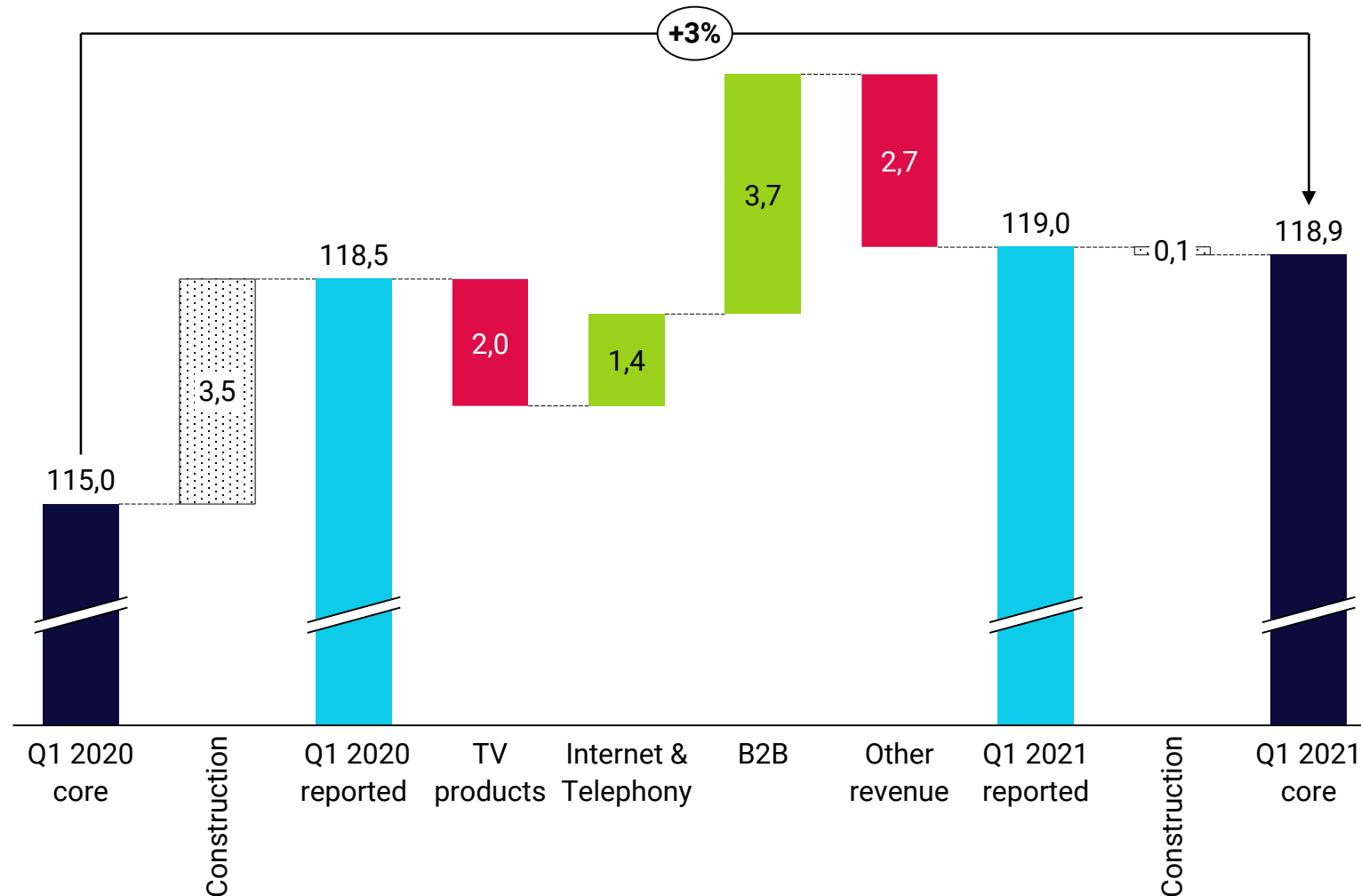
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# Financial Performance: Core revenues increase by 3% YoY

## Revenues

EUR millions, rounding differences might occur

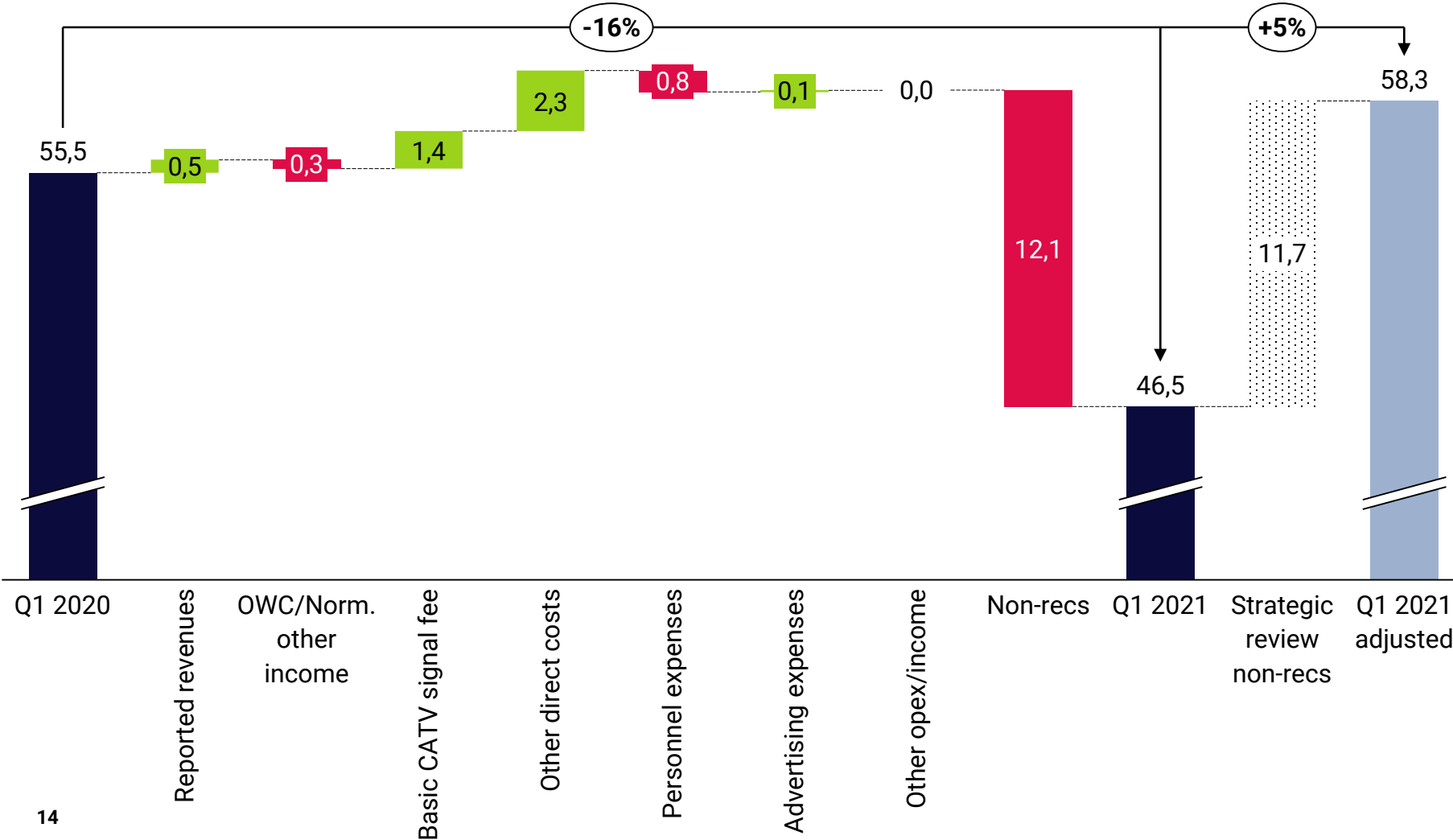


- Q1 core revenues (excl construction) of EUR 118,9 million up 3% year on year
- Recent TV trends continue, amid a structurally challenging market environment
- Strong and encouraging Internet & Telephony growth based on the increasing customer base

# Financial Performance: Reported EBITDA growth impacted by capitalisation effects

## Reported EBITDA

EUR millions, rounding differences might occur

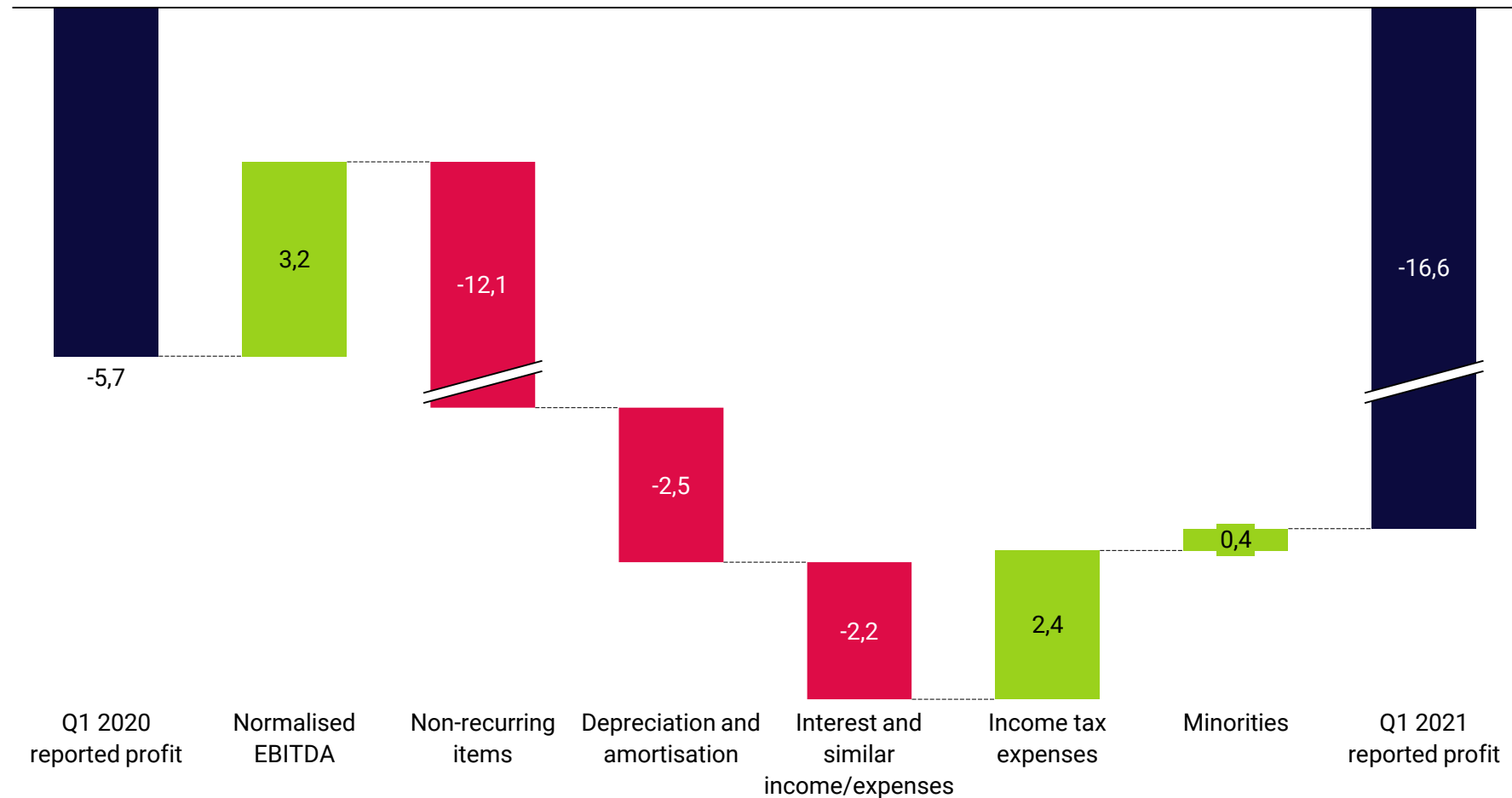


- Overproportional cost increase weighs on organic revenue growth
- Strategic review-related non-recs amounted to EUR 11,7 million in Q1

# Financial Performance: Net income heavily impacted by non-recs

## Reported profit

EUR millions, rounding differences might occur

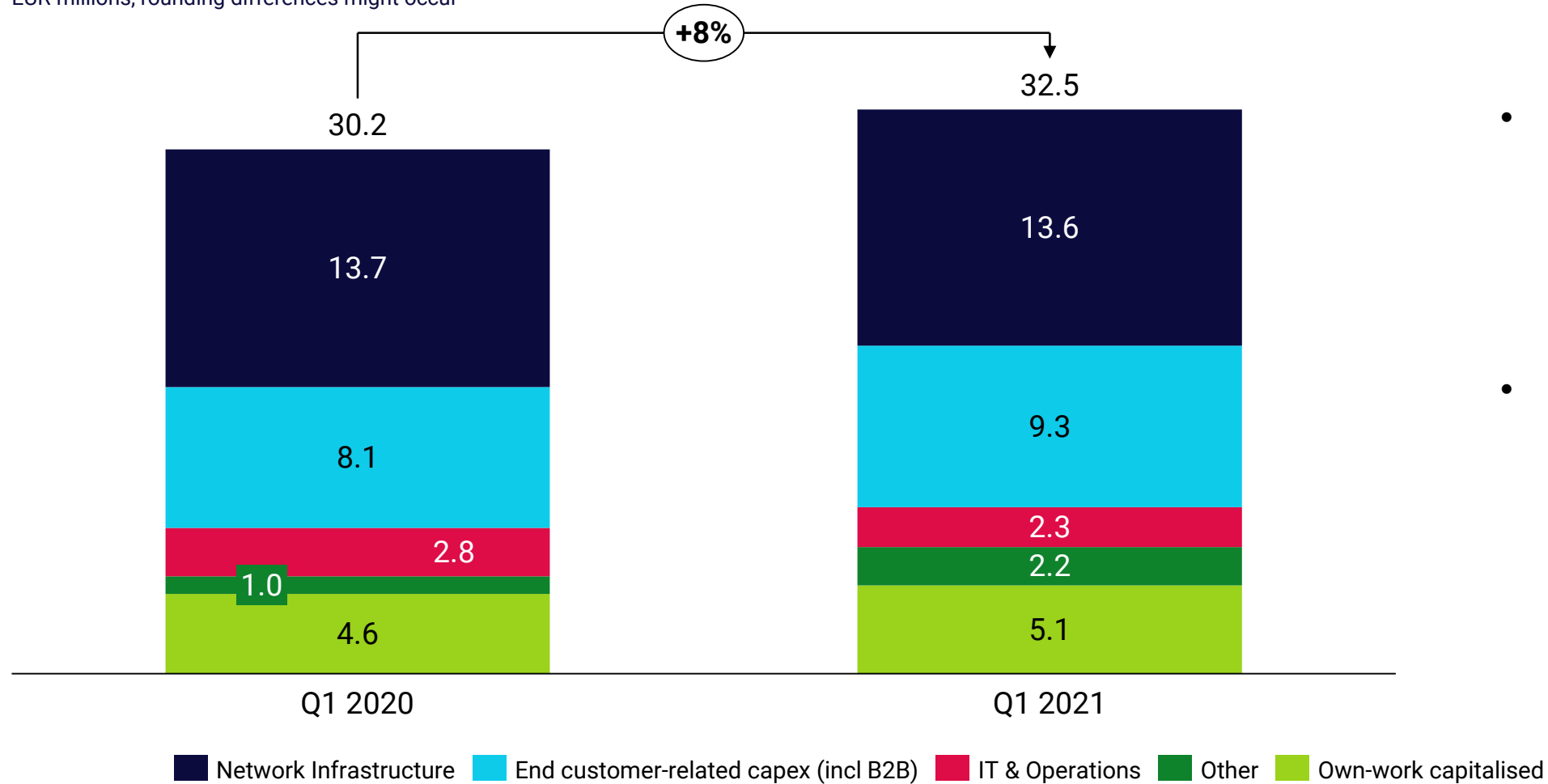


- Net income down significantly YoY mainly due to transaction-related non-recs
- Financial result decreases YoY due to annualisation effects of Term Loan interest, however this will partially reverse per Q2 due to the prepayment of both 40m and 75m facilities in May 2021

# Capex: Customer growth reflected in capex increase

## Capex

EUR millions, rounding differences might occur



- Q1 capex with ongoing high portion of network-related investments
- Customer growth reflected in capex increase

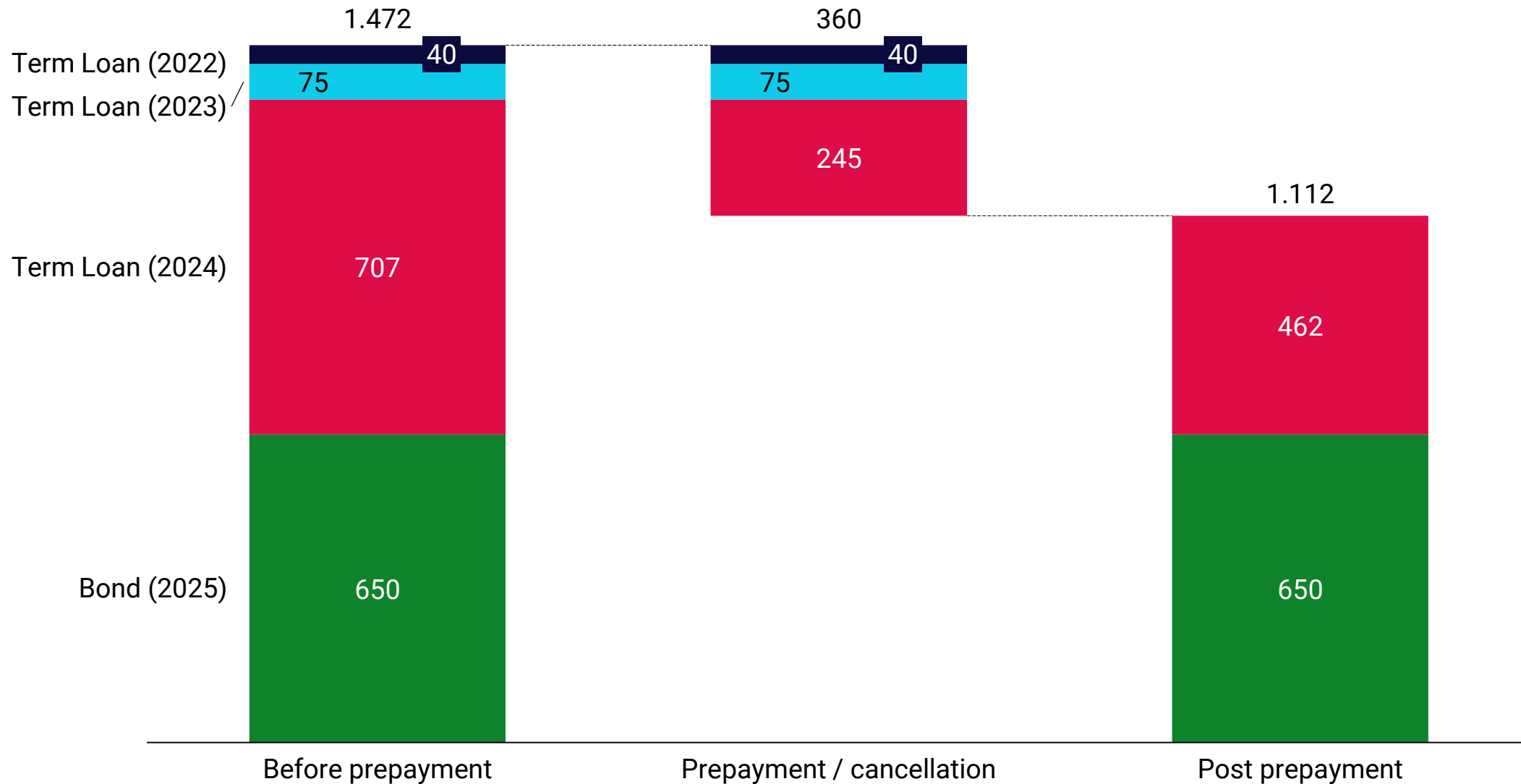


# Leverage and liquidity

	<u>Per 31 December 2020</u>				<u>Per 31 March 2021</u>	
	Terms <sup>1</sup>	Maturity	EURm <sup>2,3</sup>	Leverage <sup>4</sup>	EURm <sup>2</sup>	Leverage <sup>5</sup>
Cash			(62)	(0.26x)	(64)	(0.26x)
RCF (€10m)	E+500bps	Aug 2022	-	-	-	-
Term Loan	E+500bps	Aug 2022	40	0.17x	40	0.16x
Term Loan	E+450bps	Oct 2023	75	0.31x	75	0.31x
First Lien Term Loan	E+300bps	Oct 2024	707	2.92x	707	2.88x
Senior Secured Notes	3.875%	May 2025	650	2.68x	650	2.65x
Other			3	0.01x	3	0.01x
<b>Net debt</b>			<b>1,413</b>	<b>5.83x</b>	<b>1,411</b>	<b>5.75x</b>

<sup>1</sup> Lower terms apply in case of deleveraging; ticking fee applies on undrawn amount; <sup>2</sup> Excluding non-controlling interest, finance leases and restricted cash; <sup>3</sup> €1.1bn were hedged long term until December 2020 since February 2016 – the variable underlying interest rate base (EURIBOR) was capped at 75bp; <sup>4</sup> Leverage based on LTM Normalised EBITDA of €242.1m; <sup>5</sup> Leverage based on LTM Normalised EBITDA of €245.3m; Rounding differences might occur

# Gross debt outstanding post equity rights issue and partial prepayment of loans



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## FY 2021 Guidance

<b>Metric</b> Financials (m EUR)	<b>Guidance</b> <b>FY 2021</b>
Total revenues	465 - 475
Reported EBITDA <sup>1</sup>	215 - 230
Capex	145 -155

**Current guidance to be updated in second half of the year**

# Transaction update

Timeline	Milestone	Status
December 2020	Signing and announcement of transaction	Completed
January 2021	Extraordinary general meeting	Completed
February 2021	Kublai publishes tender offer	Completed
February 2021	CoC waiver process for bond and loans	Completed
March 2021	50% acceptance level regarding tender offer crossed; end of 1 <sup>st</sup> tender period	Completed
April 2021	End of 2 <sup>nd</sup> tender period	Completed
April 2021	Regulatory approvals received, successful closing of the transaction	Completed
May 2021	EUR 475 million equity raise, fully back-stopped by Kublai, successfully executed	Completed
May 2021	EUR 360 million deleveraging with proceeds from equity rights issue	Completed

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Thank you for your attention!

Q&A