

1H 2024 results

CETIN Group

1 October 2024



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Today's Presenters



Juraj Šedivý
Group CEO



Filip Cába
Group CFO

The leading telecom infrastructure platform in Central and Eastern Europe



34m population⁽¹⁾
~ €650bn 2023 GDP⁽¹⁾
3% GDP CAGR⁽¹⁾
 (2023-28)



Revenue 2023⁽²⁾ : ~€1.2bn
Underlying EBITDAaL 2023⁽²⁾ : ~€0.6bn



14.9k own sites



18.9k
Active Points of Presence



4.4m FTTx / DSL HP (CZ)
o/w 4.0m FTTC and FTTH
1.4m active connections⁶

1H2024	Czechia	Hungary	Bulgaria	Serbia
CETIN ownership (%)	100%	75%	100%	100%
Own mobile sites (#) + Shared sites (#)	6.4k + 2.5k ⁽³⁾	2.8k + 0.7k ⁽³⁾	2.8k	1.8k
Passive sharing tenancy ratio (x)	1.1x	1.4x	1.3x	1.4x
Fibre to the site (%)	40%	30%	35%	43%
Market position based on # of sites				
Fibre backbone and aggregation network (km)	55.3k	11.2k	10.7k	9.1k
Main + Edge data centers (#)	3 + 12	4 + 6	2 + 3	2 + 3
1H2024 Underlying EBITDAaL contribution ⁽⁴⁾	57%	17%	14%	12%



A leading open access telecom infrastructure platform in the CEE in terms of scale, scope and geographical diversification

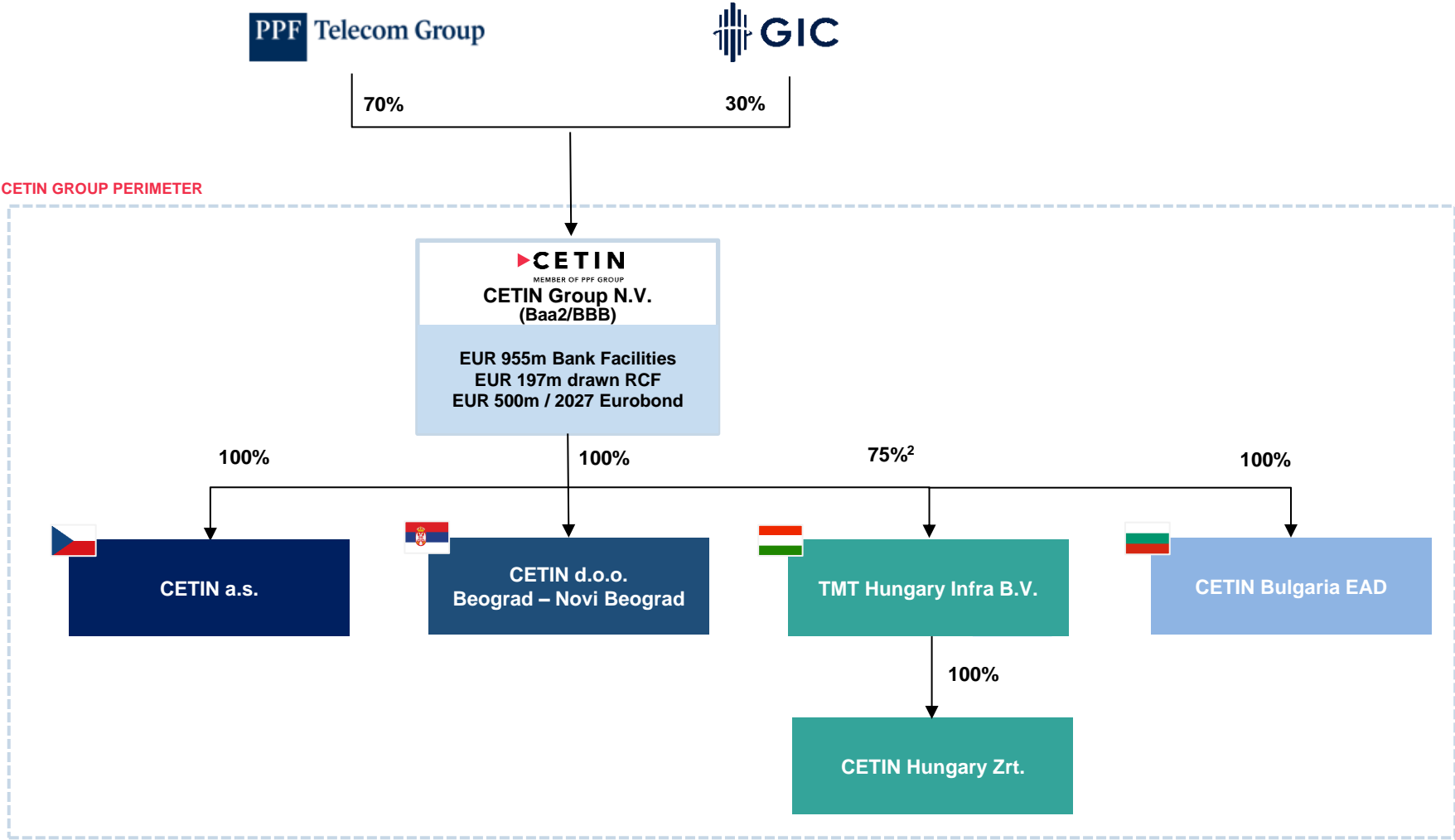
Source: IMF, Eurostat

Notes

1. Across CETIN markets, IMF World Economic Outlook, GDP data provided in USD and converted to EUR at 1.06 as of 31-October-2023
2. Financial data presented based on Financial Statements as at 31.12.2023
3. Sites where T-Mobile's active equipment is providing mobile services for CETIN's customers
4. Excludes eliminations
5. Point of Presence (PoP): CETIN mobile location which is equipped with CETIN-owned radio assets and emits licensed mobile spectrum

6. Including Nej.cz network, acquired in Dec 2023

CETIN Group organisational structure¹



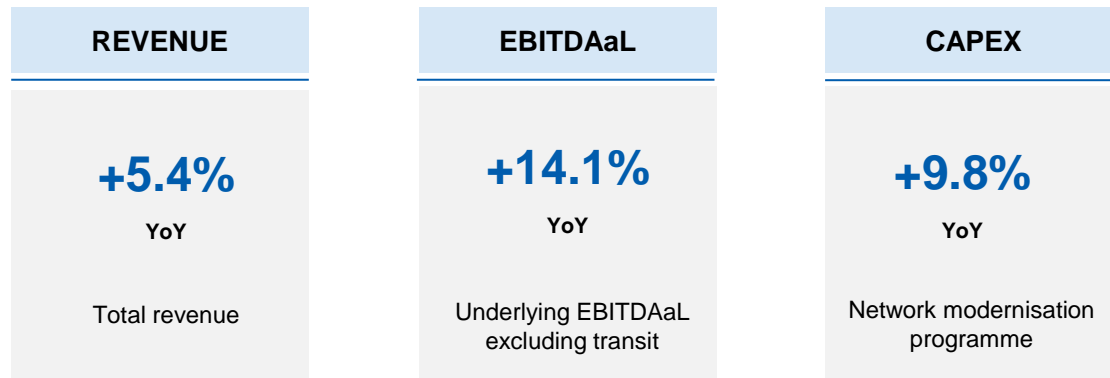
Source: Company information

- Notes:
- 1. The chart represents a simplified group structure to illustrate main segments within CETIN Group as of 30 June 2024
 - 2. 25% stake is owned by TMT Hungary Holdco B.V., a 100% direct subsidiary of PPF Group N.V. outside the perimeter of CETIN Group

1H2024 Summary

Compelling financial profile with the ongoing modernisation of the network

Strong financial results

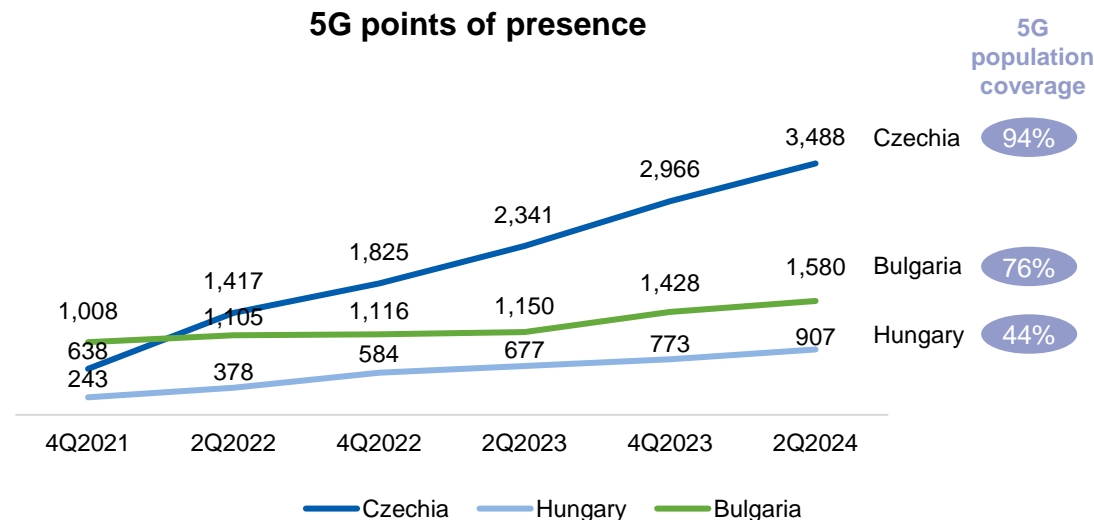


Accelerating a focused fibre strategy in Czechia

- 4.0m homes already passed by FTTC² access network
- FTTH/B¹ rollout (743k HP³ as at 2Q 2024) in areas with greatest bandwidth needs
- Focus on single dwelling units (family houses)
- Competitive advantages
- Futureproofing access network



5G mobile network rollout underway



Extending network leadership

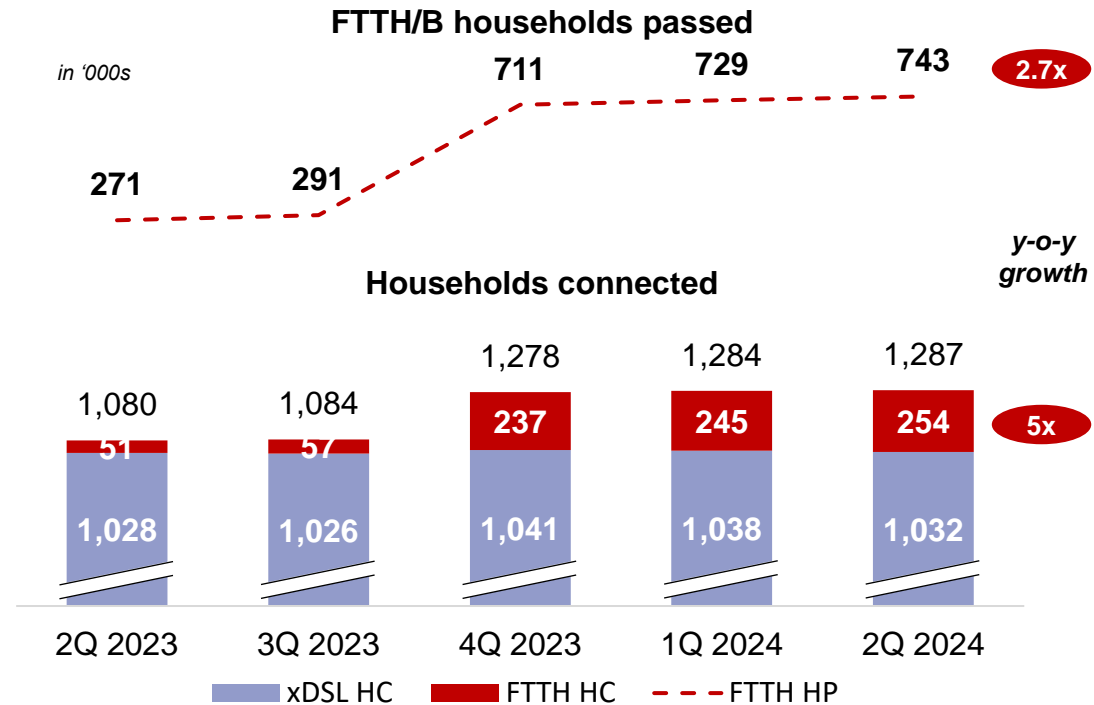
- Rollout of Ericsson RAN equipment underway in Serbia
 - Strengthened security, future-proof solution
- Nej.cz infrastructure integrated
- Opportunistic purchases of smaller ISPs



Source: Company information
 1. FTTH/B: Fibre to the Home or Building
 2. FTTC: Fibre to the Cabinet
 3. HP: Homes Passed
 4. HC: Homes Connected

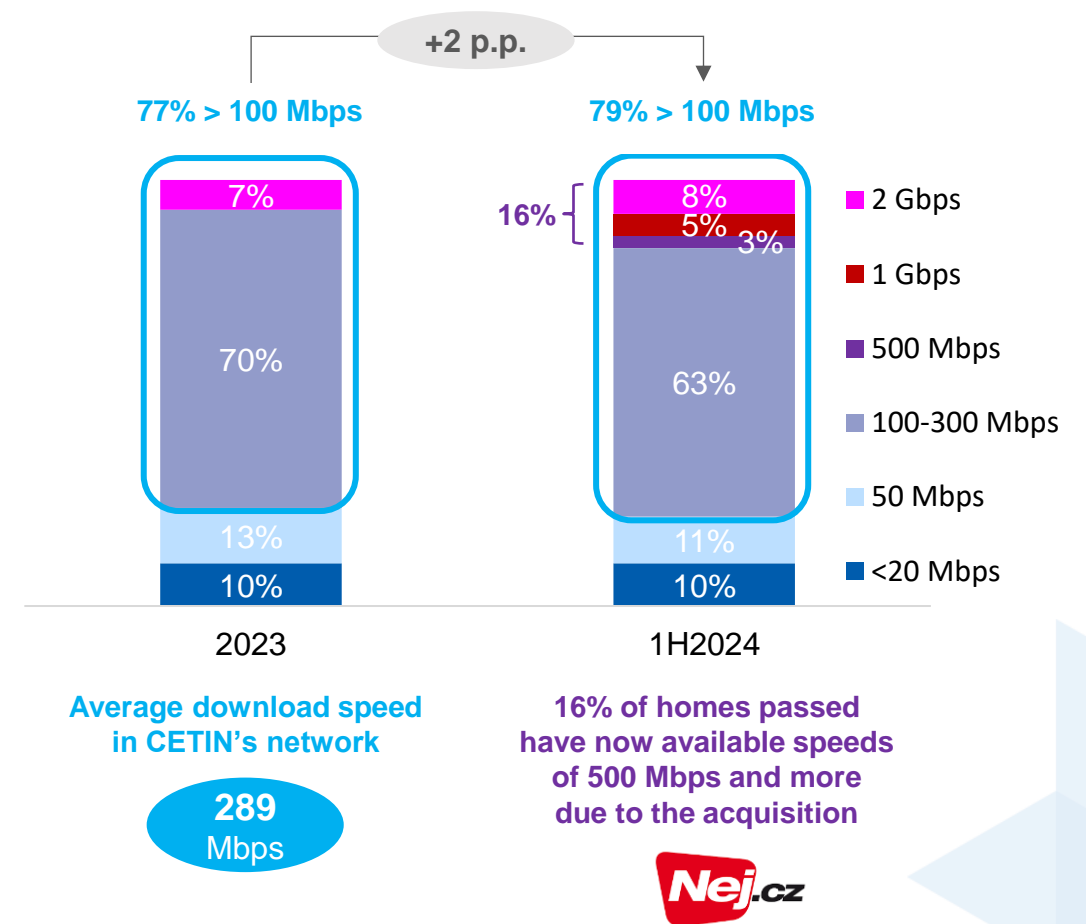
Main operational progress

FTTH/B roll out in Czechia (ambition ~1.3m Homes Passed by 2030)



- In Nov 2023, CETIN acquired Nej.cz with additional **190k households connected** to fixed broadband service, of which 173k were FTTH connections

Fixed broadband - Homes Passed split by speed (%)



Main sustainability achievements in 2024

SUSTAINABILITY ACHIEVEMENTS

ENVIRONMENTAL

Reducing our Environmental Impact

- Decarbonisation plan progressing
- Carbon reduction targets set and submitted for validation to SBTi
- Energy efficiency program delivered **18 GWh of electricity savings** in 1H2024
- **Serbia: network powered 100% by green energy**
- **Bulgaria: more than 86% of total electricity consumption is from renewables**



TRANSPARENCY

Robust Corporate Governance and Business Ethics

- **Local ESG microsites for disclosures and progress updates in Czechia, Hungary, and Bulgaria**
- Supplier risk assessment underway
- Whistleblowing channel launched in Hungary
- 100% of management and 87% employees trained on sustainability



TECHNOLOGY

Accelerating Technology for a Sustainable Future

- 5G rollout underway, 57% population coverage by the end of June 2024
- FTTH/B in Czechia with 743 thousand homes passed
- Security Operations Centres (SOC) further enhanced: new systems in place, optimised detection rules



SOCIETY

Putting people at the Centre of our Business

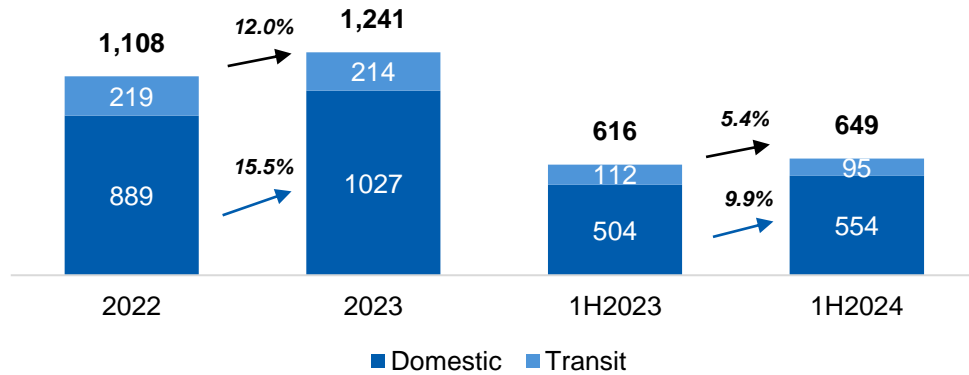
- Diversity, equity and inclusion (DEI) policy implemented; Top management trained on unconscious bias
- Talent development program advancing
- Zero level of fatalities and injuries maintained
- Well-being program reaching wider employee population



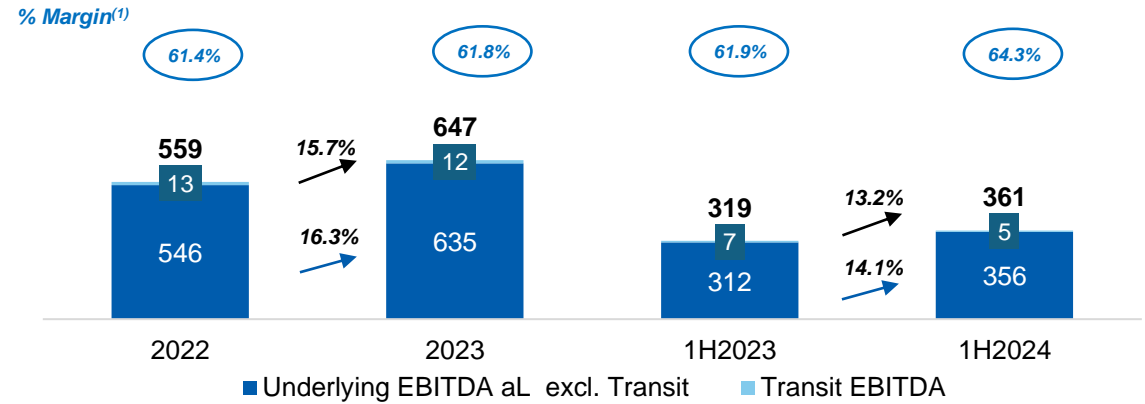
CETIN Key Financials

Compelling Financial Profile With An Ongoing Modernisation Of The Network

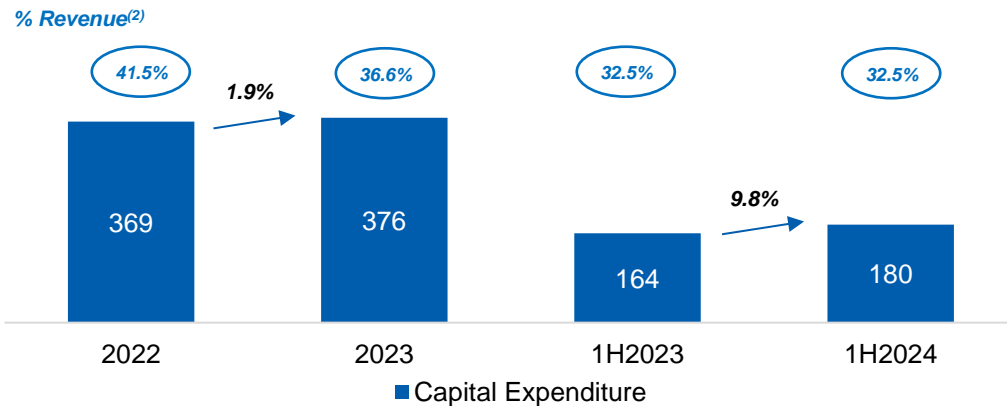
Revenue (€m)



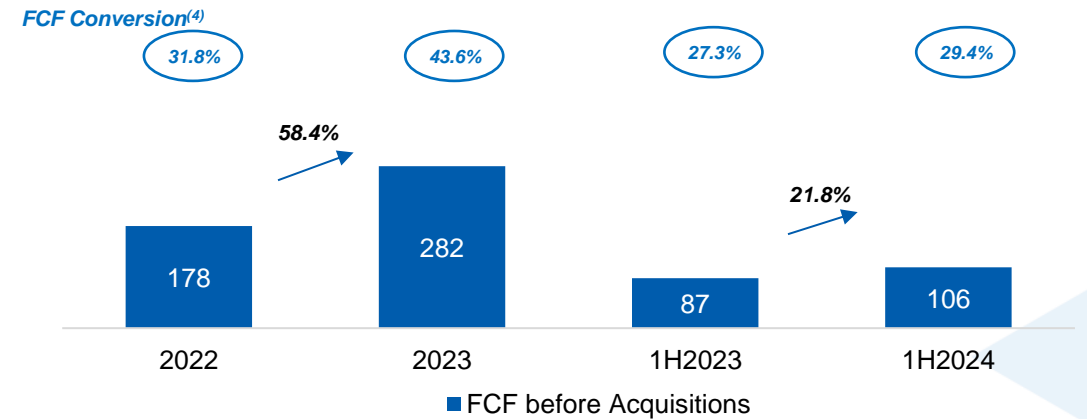
Underlying EBITDAaL (€m)



Capital Expenditure (€m)



Free Cash Flows (€m)⁽³⁾



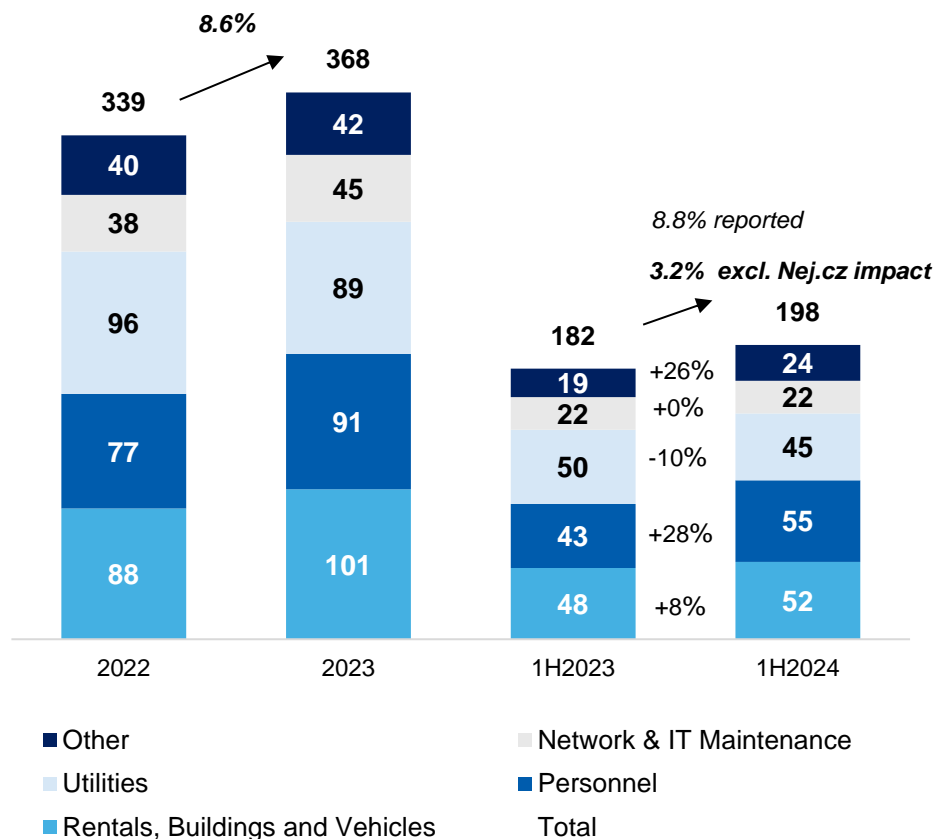
Source: Company information

Notes

1. Defined as Underlying EBITDAaL excl. Transit / Revenue excl. Transit
2. Defined as Capital Expenditure / Revenue excl. Transit
3. Defined as Net cash from operating activities less cash used for the purchases / from disposals of tangible and intangible assets. Cash flows related to the acquisition of subsidiaries and funding of these acquisitions are excluded. In 2023, the Group paid a consideration of EUR 349 million for the acquisition of Nej.cz, for which the Group raised EUR 175 million in loans from its shareholders, and EUR 169 million advance payment by O2 Czechia towards future purchase of the customer base of Nej.
4. Defined as FCF / Underlying EBITDAaL

Tightly Controlled Cost Base

Operating Expenses (excl. Cost of Sales) Breakdown¹ (€m)



Other

- Advertising and marketing costs, professional services, taxes other than income tax, and other

Network & IT Maintenance

- High future visibility due to significant expertise in dealing with equipment vendors
- Majority of supply and maintenance contracts being long term capped, providing future cost visibility

Utilities

- Energy price increase protection irrespective of inflation levels is built in MSA
- The decline driven by energy price decrease

Personnel

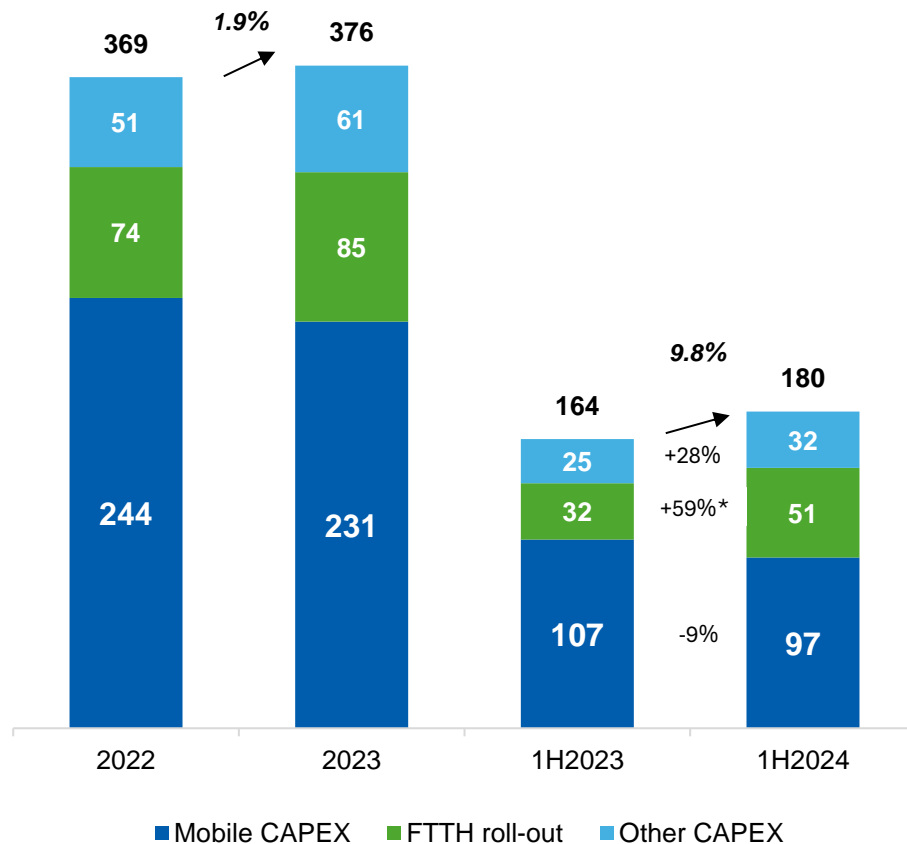
- Directly under CETIN control
- Increased in line with market salary index projections
- Impact of Nej.cz acquisition is € +5.8m (+13pp 1H24 vs 1H23)

Rentals, Buildings and Vehicles

- Diversified supplier base ensures high future visibility
- Growth driven by network densification and inflation indexation

Mobile Services Infrastructure Continues To Be The Main Capital Expenditure Driver

Capital Expenditure split (€m)



Source: Company information

Mobile CAPEX

- Mobile CAPEX was mainly driven by:
 - Investments in network modernisation and network swap
 - 5G coverage expansion on C-Band
- Mandatory projects to cover white spots are in progress
- Base CAPEX covered by a 10-year flat fee with contractually defined margins and ROI
 - Investments for delivery of the mobile network, including obligatory mobile network transport upgrades and passive infrastructure maintenance
 - Network modernisation in the Czech Republic
- Incremental CAPEX where ComCos have contractual annual commitments of incremental revenues
 - Includes CAPEX that drives growth of mobile revenue (5G, new sites, network modernisation in Czechia, Bulgaria, and Hungary; Serbia new RAN vendor selected)

Fixed Broadband CAPEX

- Driven by the deployment of fibre optic network (FTTH) in Czechia
- *Total Nej.cz effect on CAPEX:€ +6m

Other Fixed CAPEX

- Other and relatively stable CAPEX.:
 - Customer projects
 - Data services
 - Housing

CETIN Group financial policy

PRIORITIES: 1. Strategic investments, 2. Maintain leverage, 3. Profit distribution

CETIN Group's investment grade rating is strategic for PPF Group.
The shareholder is committed to adjust its dividend expectations to mitigate any weaker performance in order to protect CETIN Group's IG rating.

1. Use of free funds

CETIN GROUP needs to hold a technical cash reserve of approx. EUR 20 million, for operational flexibility.

Free funds will be used (in order of priority) for:

1. **CAPEX financing**
2. **Maintaining leverage**
3. **Distribution**

2. Profit distribution policy

Up to 100% of Levered free cash flow,
 subject to keeping net leverage below 3.0x⁽¹⁾

3. Sustainable debt capital structure

Leverage **maximum 3.0x⁽¹⁾**

Actual (as at 30 June 2024) **leverage of 2.59x⁽³⁾** (leverage of 2.72x as at 31 December 2023 ⁽³⁾)

4. Add-on acquisition debt allowance

In case of add-on acquisitions, CETIN Group can increase the leverage **up to 3.5x** with **deleveraging back below 3.0x within 18-24 months**

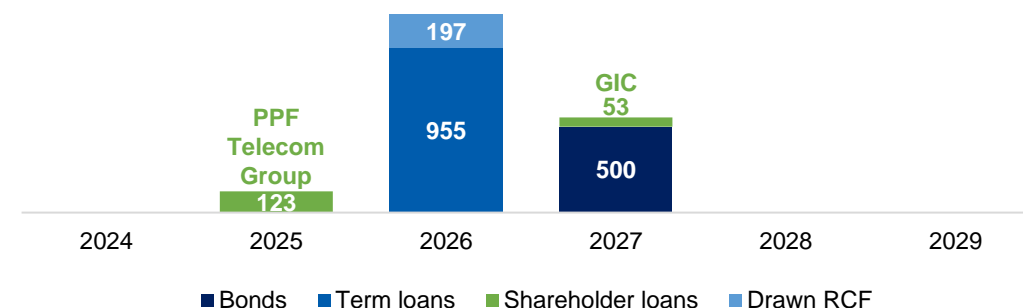
Source: Company information

Notes

1. Excluding IFRS 16 impacts; an increase related to IFRS 16 adjustment is approx. +0.22x
2. Outstanding principal amounts, excluding overdraft facilities; EUR/CZK 25.025 FX rate as at 30 June 2024 according to the Czech National Bank
3. Consolidated net leverage ratio = consolidated Gross debt less Cash and cash equivalents / EBITDA for the last twelve months, excluding IFRS 16 impact

Current debt maturity profile (€m)⁽²⁾

Total nominal financial debt as at 30 June 2024 **EUR 1,827 million**



CETIN Group – investment grade Baa2 Moody's / BBB Fitch Ratings.

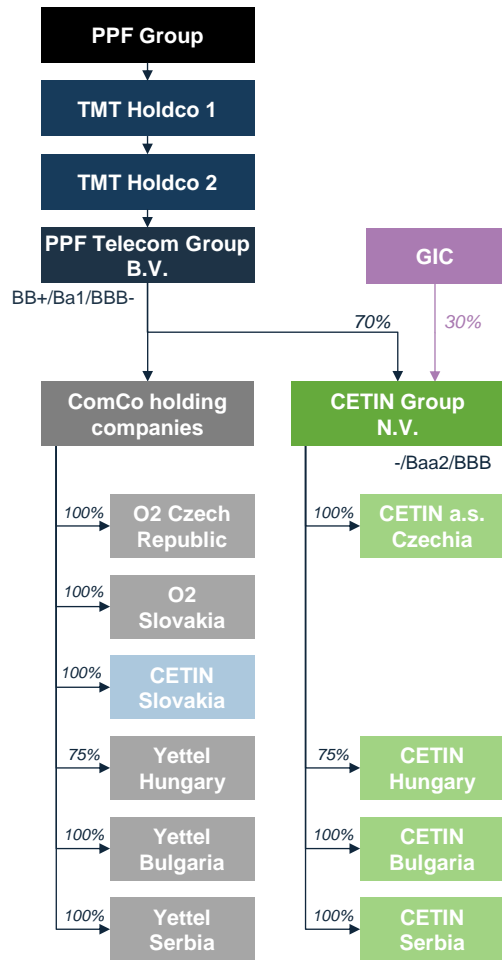
CETIN Group facilities include:

- **EUR 955m** (511m due Aug 2026 + 444m due Nov 2026) term loans
- **Eurobond EUR 500**, 5 years, due Apr 2027, 3.125% p.a.
- **EUR 197m** drawn revolving credit facility, due Aug 2026
- **EUR 175m** loan from shareholders (122.5m from PPF Telecom Group, due Apr 2025, and 52.5m from GIC, due Apr 2027)

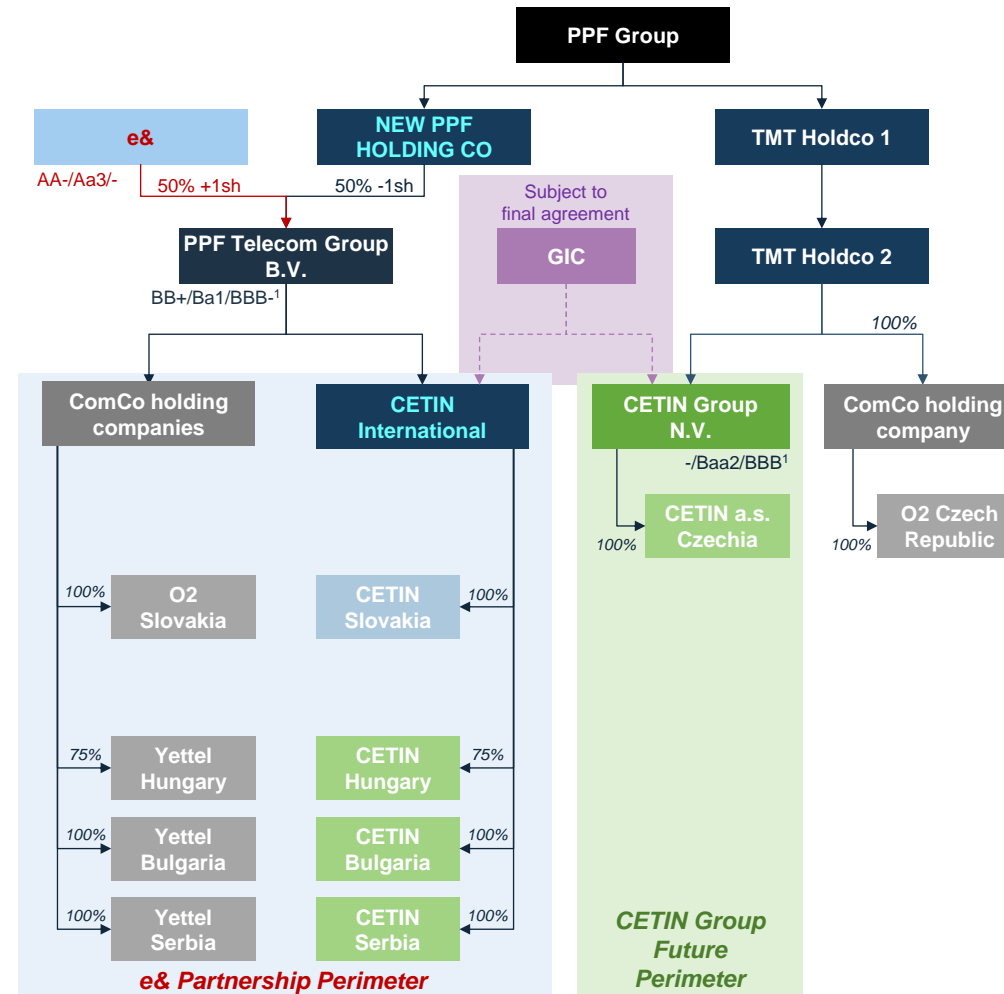
PPF Partnership with e&

The future perimeter of CETIN Group will retain CETIN Czechia with its fixed network and the highest sovereign rating

Current structure



Intended structure



Impacts on CETIN Group

Size and structure assumptions

- CETIN Hungary, Bulgaria, and Serbia will be sold to PPF Telecom Group
- CETIN Group will be sold to TMT Holdco 2
- GIC shareholding still to be confirmed

Capital structure assumptions

- PPF announced its aim to maintain CETIN Group's current rating level, subject to confirmation of the final capital structure

Timing assumptions

- Last regulatory approval obtained on 24 September 2024
- Reorganisation is underway
- Closing expected in the coming weeks

Source: Company information

Notes

1. Aim to maintain PPF Telecom's current rating levels (BB+/Ba1/BBB-) after the transaction closing, as well as to maintain CETIN Group's current rating level, subject to confirmation of the final capital structure and closing of the transaction



▶ CETIN

MEMBER OF PPF GROUP

Appendix



Key financial metrics

Compelling Financial Profile with the ongoing modernization of the network

<i>€m except otherwise stated</i>	2022	2023	YoY%	1H2023	1H2024	YoY%
Total Revenue	1,108	1,241	12.0%	616	649	5.4%
Revenue excl. Transit	889	1,027	15.5%	504	554	9.9%
Underlying EBITDAaL⁽¹⁾ excl. Transit	546	635	16.3%	312	356	14.1%
<i>% margin (excl. transit)⁽²⁾</i>	61%	62%		62%	64%	
Underlying EBITDA aL⁽¹⁾	559	647	15.7%	319	361	13.2%
Capital Expenditure	-369	-376	1.9%	-164	-180	9.8%
FCF⁽³⁾	178	102	(42.7%)	87	106	21.8%
<i>% FCF conversion⁽⁴⁾</i>	32%	16%		27%	29%	

Source: Company information

Notes

1. Underlying EBITDA after Leases ("Underlying EBITDAaL") defined as Underlying EBITDA less Depreciation on lease-related right of use assets less Interest on lease liabilities;

2. Defined as Underlying EBITDAaL excl. Transit / Revenue excl. Transit;

3. Free Cash Flow ("FCF") defined as Net cash from operating activities less cash used for the purchases / from disposals of tangible and intangible assets. Cash flows related to the acquisition of subsidiaries and funding of these acquisitions are excluded. In 2023, the Group paid a consideration of EUR 349 million for the acquisition of Nej.cz, for which the Group raised EUR 175 million in loans from its shareholders, and EUR 169 million advance payment by O2 Czechia towards future purchase of the customer base of Nej.cz

4. FCF Conversion defined as FCF / Underlying EBITDAaL

CETIN Group corporate governance

Board of Directors

Jan Kadanik
Chairman of the Board of Directors

Juraj Šedivý
CETIN Group CEO and Member of the Board of Directors

Jan Cornelis Jansen
Member of the Board of Directors

Marcel Marinus van Santen
Member of the Board of Directors

Nominated by PPF

Kamil Burganov
Member of the Board of Directors

Rhys AP John Phillip
Member of the Board of Directors

Jaime Smith Basterra
Member of the Board of Directors

Nominated by GIC

Independent

Audit and Risk Committee

Jaime Smith Basterra
Chairman of the Committee

Rhys AP John Phillip
Member of the Committee

Jitka Mašátová
Member of the Committee

Other elements of corporate governance

- Nomination, Remuneration and ESG Committee
- Related Party and Material Contracts Committee
- Board of Directors independent observer, Mrs. Alexandra Reich

Key credit highlights of CETIN Group

- 1 Majority of our revenue is committed while the rest is highly recurring
- 2 Industry leading EBITDAaL margin, underpinned by a controlled cost base
- 3 Mobile services infrastructure continues to be the main capital expenditure driver
- 4 Highly visible and predictable cash flows