

Q4 & FY 2019 Group Results

April 22, 2020



SOLID TRACK RECORDS IN 2019

changes in key indicators

	UAH (mln)			USD (mln)*		
	2018	2019	↑↓	2018	2019	↑↓
Revenue	12 799	15 983	+25%	471	619	+31%
OIBDA	6 864	8 325	+21%	252	322	+28%
OIBDA, %	53,6%	52,1%	-1,5%	53,5%	52,0%	-1,5%
Net Income	1 747	2 539	+45%	64	98	+53%
CAPEX	4 208**	3 788	-10%	155	147	-5%

* average rate annual (27.20 UAH/USD for year 2018, 25.84 UAH/USD for year 2019)

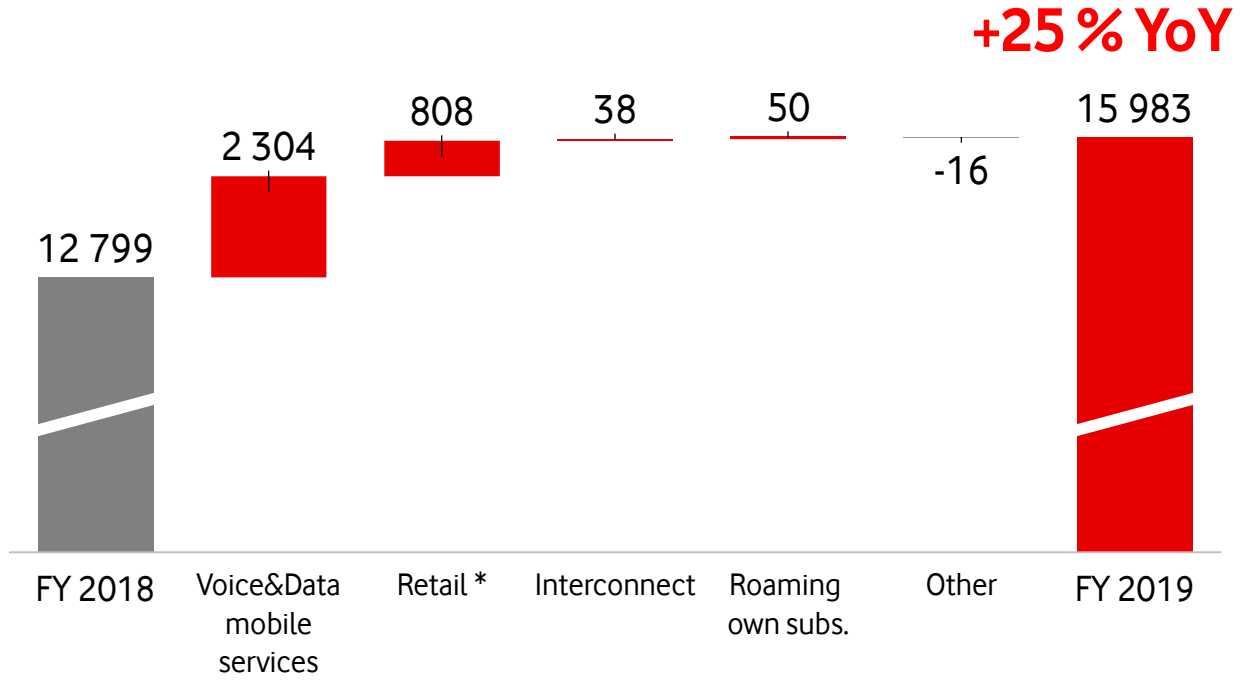
** excluding costs UAH 2,4 billions related to the purchase of 4G licenses in 2018



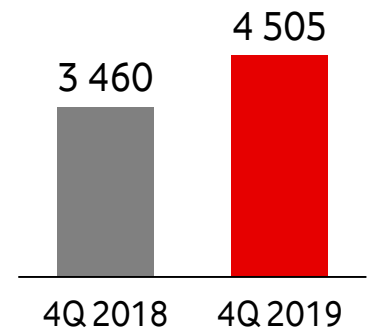
GROUP PERFORMANCE

Group revenue

(UAH mln)



+30% YoY

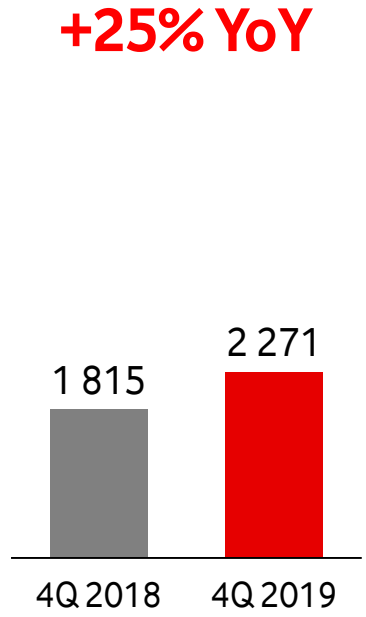
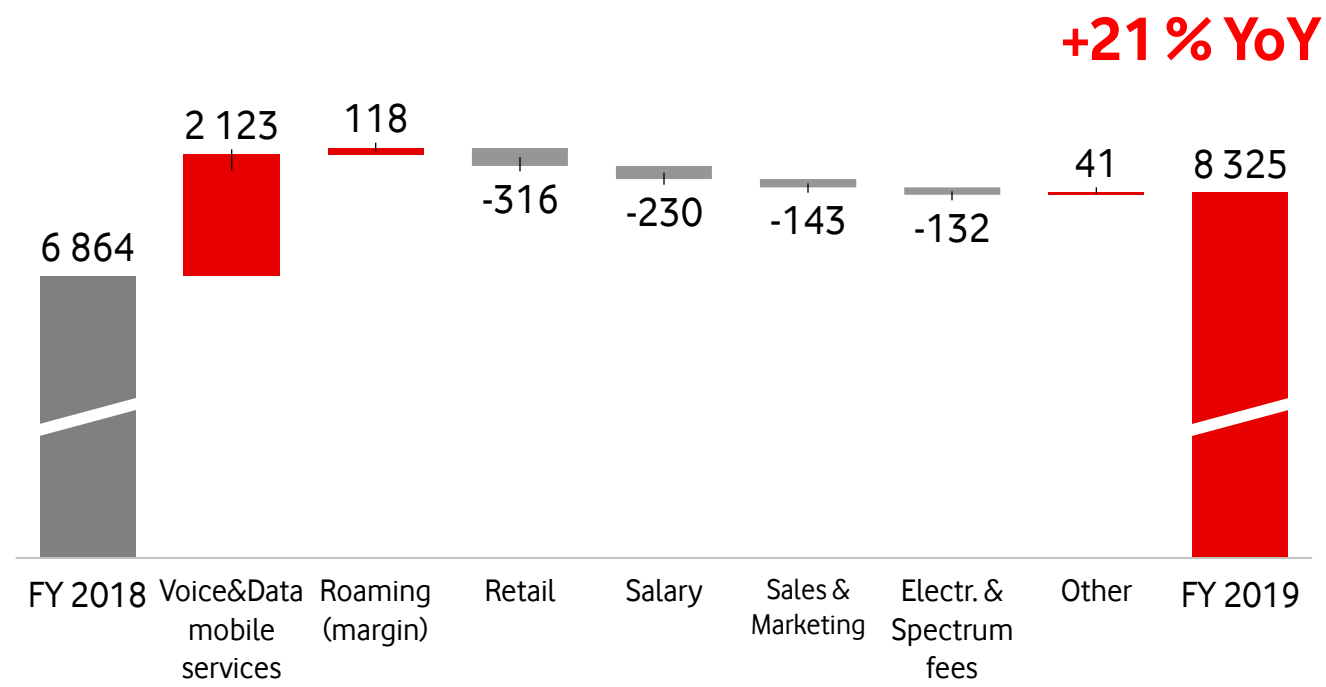


* trade activity



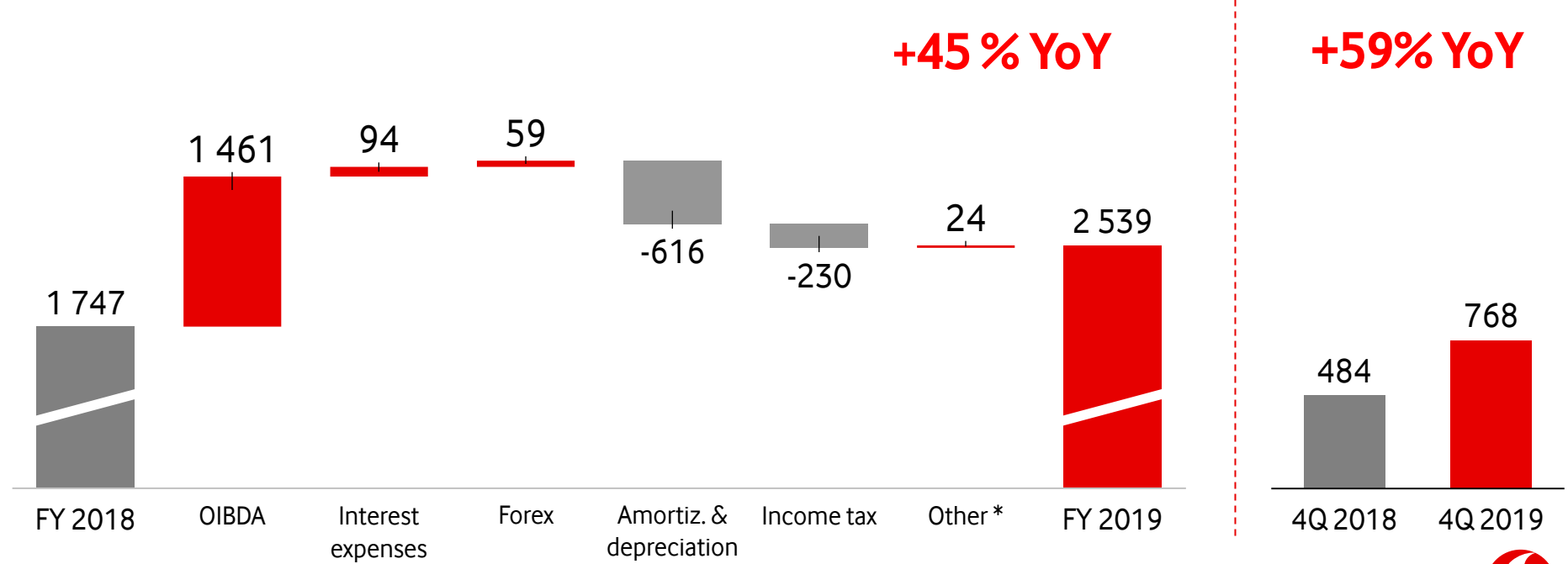
GROUP PERFORMANCE

Group OIBDA (UAH mln)



GROUP PERFORMANCE

Group net profit (UAH mln)



* Other includes interest income, income from disposal of right-of-use and PPE/IA

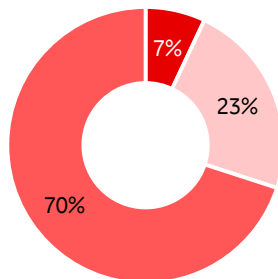


CAPITALIZATION

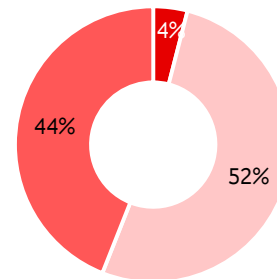
Debt profile

- ✓ On 5-th February 2020 the Group successfully issued debut Eurobonds a 5- years tranches in amount of USD 500 million with a coupon rate of 6.2%.
- ✓ Other debt in main part is Lease obligation (application of IFRS16 'Leases' standard).

Actual as of 31 December 2019 (UAH, bln) ¹



Proforma post transaction (UAH, bln) ²



CREDIT RATINGS*:

B / Positive

Fitch

B / Stable

S&P

Cash and cash equivalents	1,4
Total debt	4,6
Lease obligations (under IFRS 16)	4,6
Total equity	14,4
Total Capitalisation	19,0
Net debt	3,2
OIBDA	8,3
Total Debt/OIBDA	0,6x
Net Debt/OIBDA	0,4x

Cash and cash equivalents	1,4
Total debt	17,0
Notes payable (Eurobond issue)³	12,4
Lease obligations (under IFRS 16)	4,6
Total equity	14,4
Total Capitalisation	31,4
Net debt	15,6
OIBDA	8,3
Total Debt/OIBDA	2,1x
Net Debt/OIBDA	1,9x

* As of Feb.2020

¹ Actual capitalization as at 31 December 2019

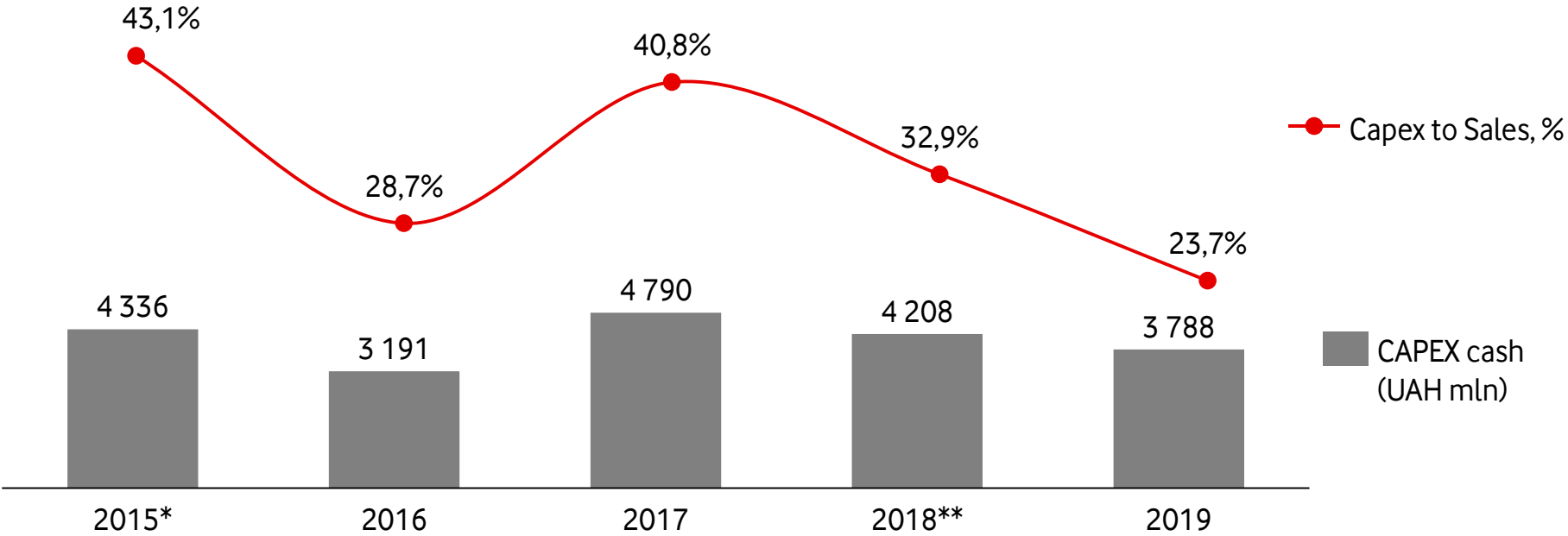
² On adjusted proforma basis to reflect changes in connection with the bond offering and financing thereof as if they occurred on 31 December 2019

³ Raised funding in the form of a Eurobond issue for the period of five years with a two-year option in amount of USD 500 million. An equivalent denominated in UAH * using NBU exchange rate of UAH 24.8523 set as at 05 February 2020



GROUP CAPEX

cash CAPEX

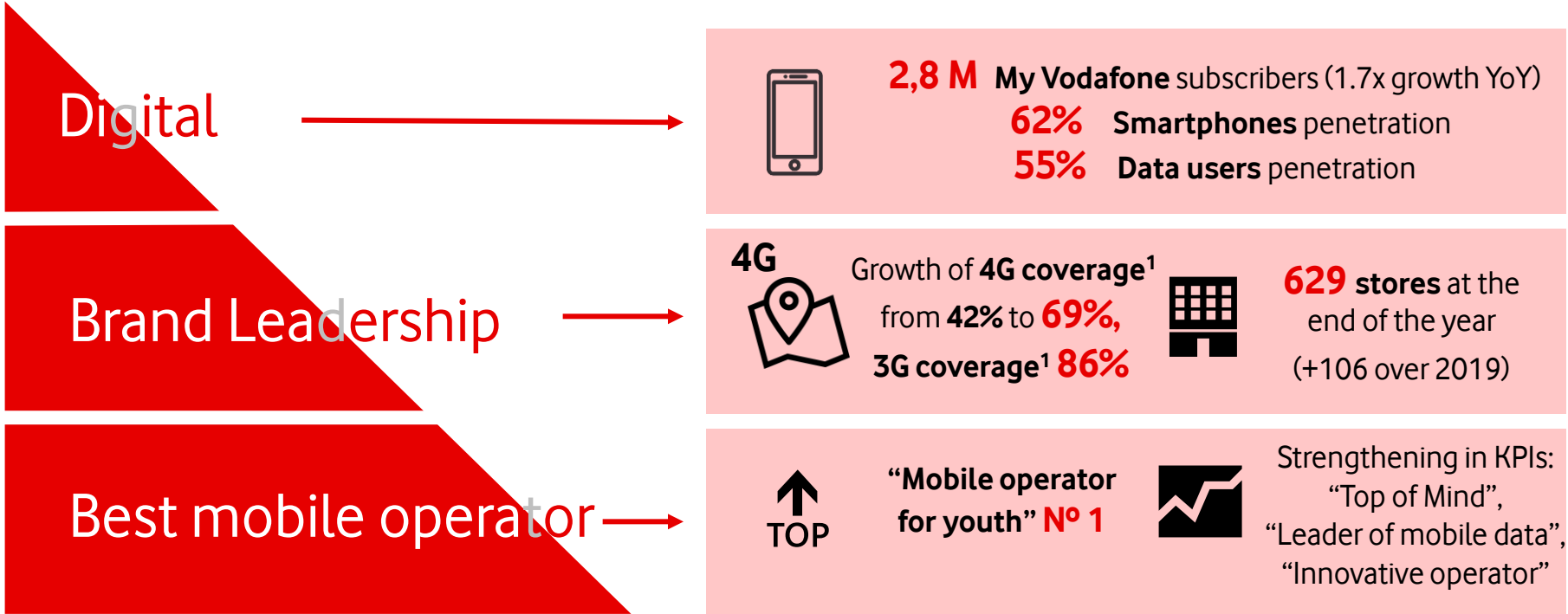


* excluding costs UAH 2,7 billions related to the purchase of 3G licenses in 2015

** excluding costs UAH 2,4 billions related to the purchase of 4G licenses in 2018



STRATEGIC VECTORS DEVELOPMENT



¹ – by Country population.

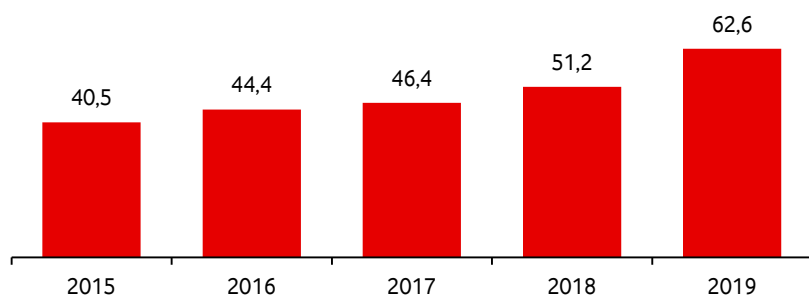


GROUP OPERATIONAL PERFORMANCE

(ARPU & Customer base)

ARPU evolution (UAH)

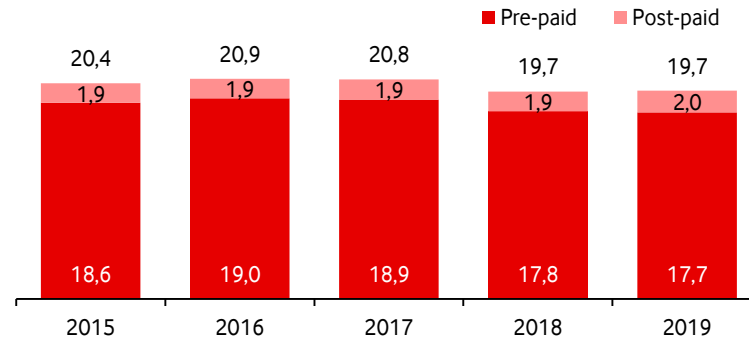
YoY **↑** UAH 11.4 / 22 %



- ▶ **New tariffs capitalize** on the increasing demand for data usage, forming positive backdrop for growth in ARPU **from UAH 51.2** as of 2018 to **UAH 62.6** in 2019
- ▶ **ARPU dynamics** reflect **evolution of the wider mobile market** resulting from an increased smartphone penetration
- ▶ Company is going to continue attracting the quality data users through its tariff policy, which will influence the ARPU development.
- ▶ **Further ARPU uptake on data services** is expected due to the **growing demand for data** transfer services and **better 3G and 4G network coverage**

Customer base, EoP (mln)

YoY **→** STABLE



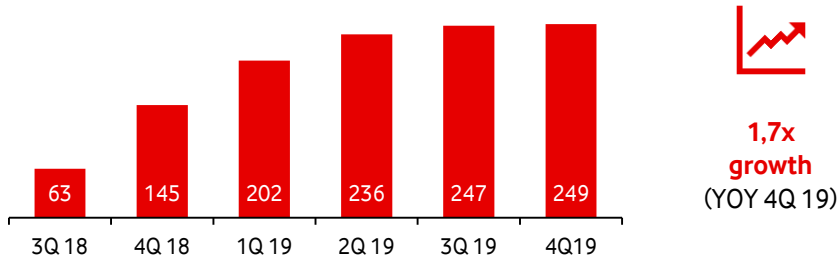
- ▶ **Between 2018 and 2019 Vodafone Ukraine customer base is relatively stable**
- ▶ Company implemented new measures to improve the retention of customers, including segment discounting, early churn detection, sales quality control and steering high churn risk customers to new specially designed tariff plans
- ▶ Launch of new tariffs during 2018-2019 led to changes in pre-paid customers breakdown, with a significant **drop in lowest-priced tariff plans** and a **growth in the upper-end of the price range**
- ▶ Company sees the strategic opportunity for customers base development in potential, middle and growing regions through advantageous offers and also through tariffs for youth



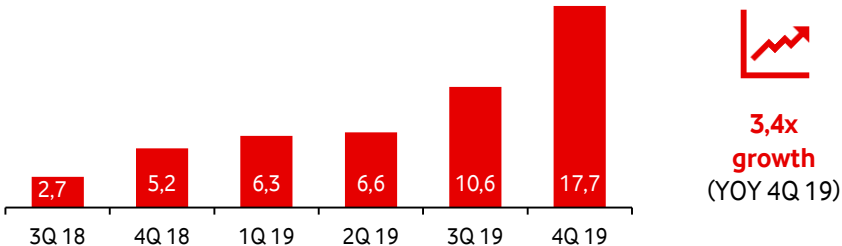
RETAIL CHAIN DEVELOPMENT

Number of VF Retail's leased outlets

- As of 31 December 2019 Vodafone Ukraine has a chain of **629 mono-brand stores** comprising **249 leased outlets** by the Group and **380 franchised stores**



Revenue (USD mln excluding intragroup charge)



Further development

- The retail network has been allowed Vodafone Ukraine to **improve the efficiency of retail sales, quality of customer experience and the ability to implement the strategic objectives**
 - Vodafone Ukraine is able to increase **cross-sell of devices and SIM cards and promote 4G-enabled devices to fully monetise 4G roll-out**
- In the future, the Group does not plan to significantly increase the number of stores, with the main goal being the development of existing locations and improving efficiency.



Q&A

