

# **Q1 2020 VF Group Results**



**May 26, 2020**



# SOLID TRACK RECORDS IN 1Q 2020

## changes in key indicators

	UAH (mln)			USD (mln)*		
	1Q 2019	1Q 2020	↑↓	1Q 2019	1Q 2020	↑↓
Revenue	3 437	4 391	28%	126	175	39%
OIBDA	1 808	2 342	30%	66	93	41%
OIBDA, %	52,6%	53,3%	1%	52,4%	53,1%	1%
Net Income/loss***	411	-744	-281%	15	-30	-300%
CAPEX	905	916**	1,2%	33	37	12%

Source: VF Group non-audited data

\* Average rate for quarter (27.31 UAH/USD for 1Q 2019, 25.05 UAH/USD for 1Q 2020)

\*\* Excluding costs UAH 265 millions related to the purchase of 900MHz band 4G licenses in 1Q 2020

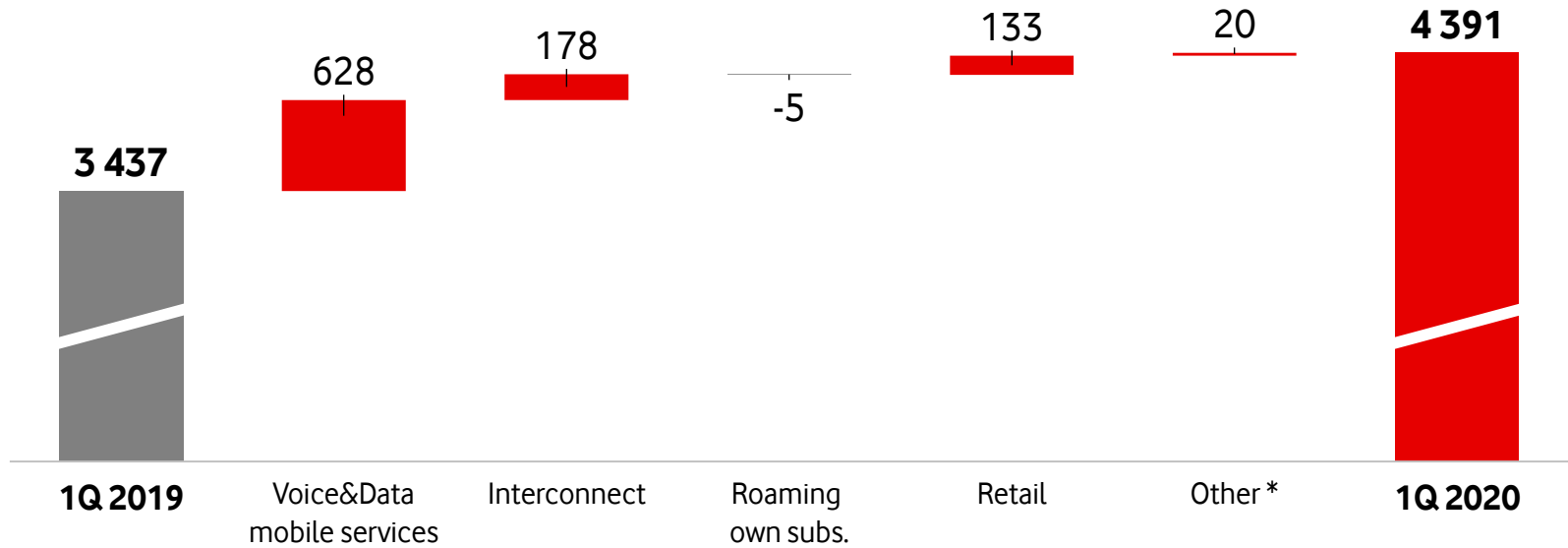
\*\*\* Please, see slide 5 for details



# GROUP PERFORMANCE

## Group revenue (UAH mln)

**+28 % YoY**



Source: VF Group non-audited data

\* other includes guest roaming, fixed business and other mobile services



# GROUP PERFORMANCE

**Group OIBDA**  
(UAH mln)

**+30 % YoY**



Source: VF Group non-audited data

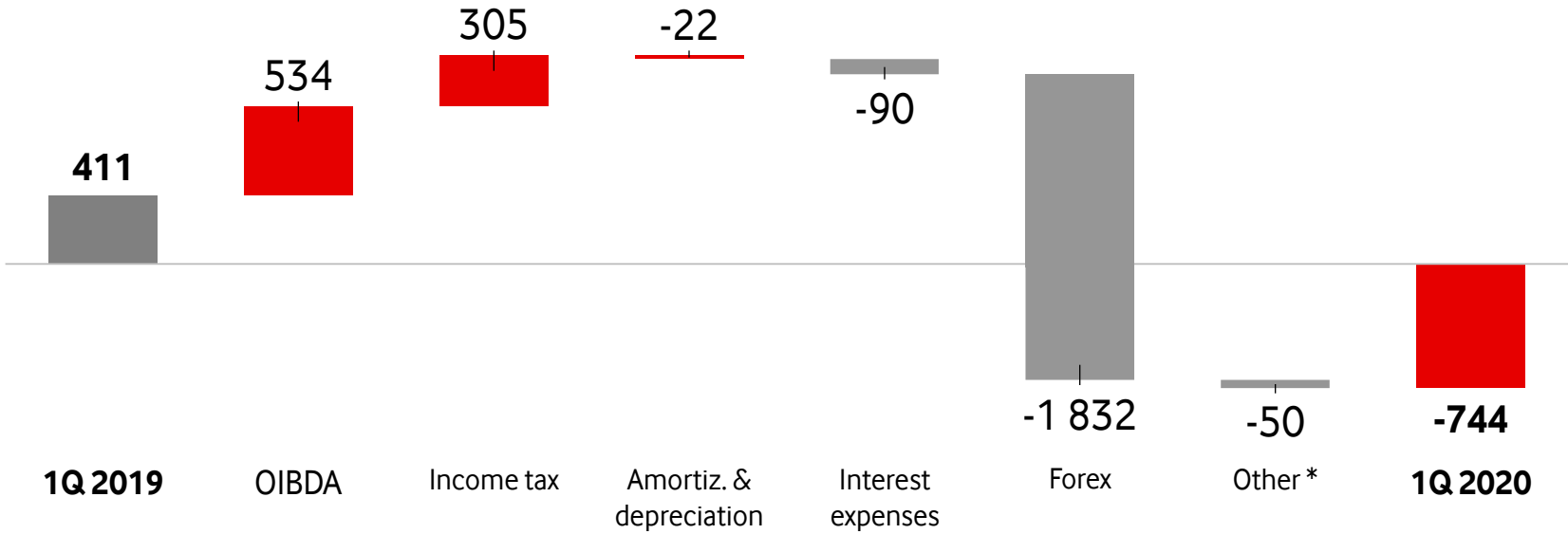
\* other includes intercompany transactions and eliminations



# GROUP PERFORMANCE

## Group net profit/loss (UAH mln)

**- 281 % YoY**



Source: VF Group non-audited data

\* other includes interest income, income from disposal of assets

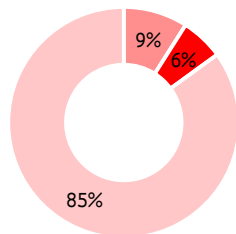


# CAPITALIZATION

## 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).



As of 31 March 2020 (UAH, bln)

	28,06 UAH/USD
Cash and cash equivalents <sup>1</sup>	1,3
<b>Total debt</b>	<b>18,6</b>
Notes <sup>2</sup> and interests payable (Eurobond issue)	13,8
Lease obligations (under IFRS 16)	4,8
Total equity <sup>3</sup>	2,1
<b>Total Capitalization</b>	<b>20,7</b>
<b>Net debt</b>	<b>17,3</b>
OIBDA LTM	8,9
<b>Total Debt/OIBDA</b>	<b>2,1x</b>
<b>Net Debt/OIBDA</b>	<b>2,0x</b>

Sensitivity to a possible change in USD exchange rates (-/+10%)

	25,26 UAH/USD	30,87 UAH/USD
Cash and cash equivalents <sup>1</sup>	1,2	1,3
<b>Total debt</b>	<b>17,0</b>	<b>20,1</b>
Notes <sup>2</sup> and interests payable (Eurobond issue)	12,4	15,2
Lease obligations (under IFRS 16)	4,6	4,9
Total equity <sup>3</sup>	2,1	2,1
<b>Total Capitalization</b>	<b>19,1</b>	<b>22,2</b>
<b>Net debt</b>	<b>15,8</b>	<b>18,8</b>
OIBDA LTM	8,9	8,8
<b>Total Debt/OIBDA</b>	<b>1,9x</b>	<b>2,3x</b>
<b>Net Debt/OIBDA</b>	<b>1,8x</b>	<b>2,1x</b>

## CREDIT RATINGS\*:

**B / Stable**

**Fitch**

**B / Stable**

**S&P**

Source: VF Group non-audited data

<sup>1</sup> Total Cash and Deposits amounted UAH 3 billion (structure: 29% UAH; 23% EUR; 48% USD)

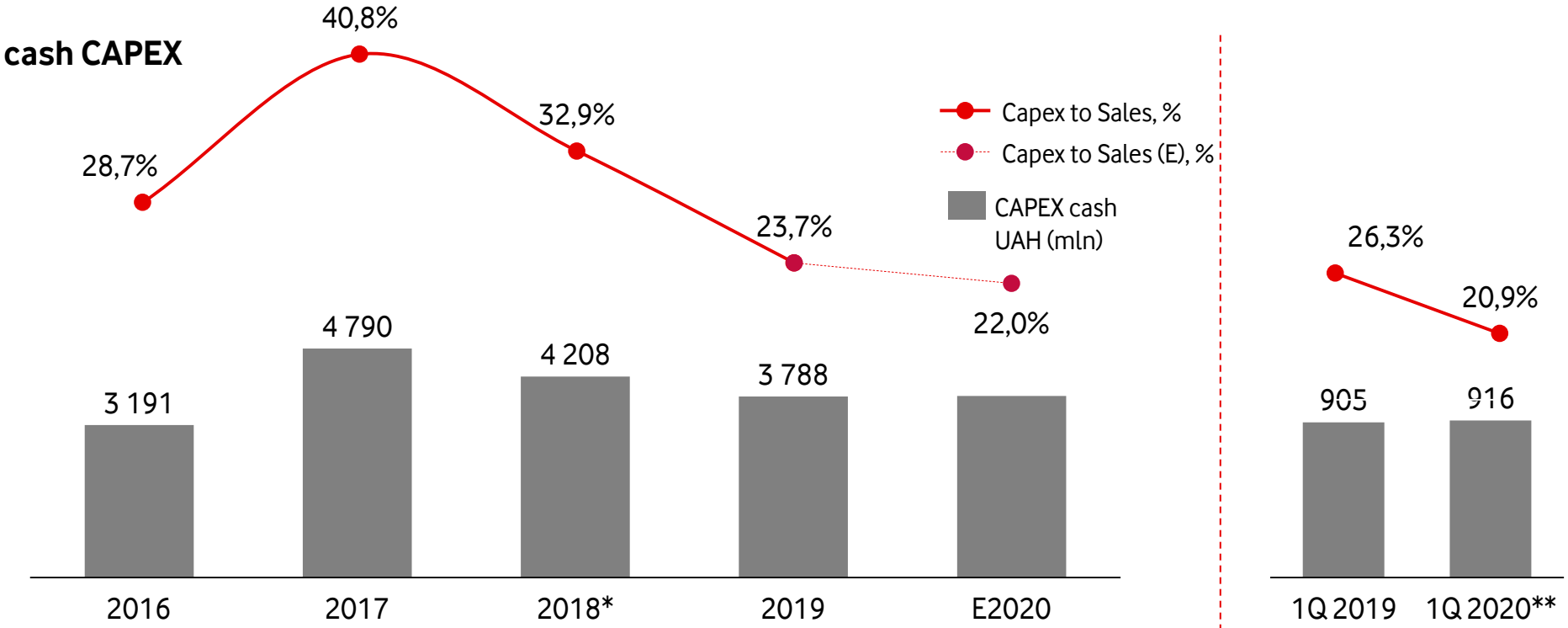
Deposits, over 3 months, repayable in less than 12 months as of 31.03.2020 amounted UAH 1,7 billion.

<sup>2</sup> Fair value amount - USD 489 million

<sup>3</sup> Changes in Total equity related to irrevocable financial aid to parent company (Telco solution and Investment) provided on 12 February 2020 and amounting UAH 11,6 billion, which was fully aimed for the Bridge loan settlement.



# GROUP CAPEX



Source: VF Group non-audited data

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

\*\* excluding costs UAH 265 millions related to the purchase of 4G licenses in 2020



# 1Q'20 KEY EVENTS AND DEVELOPMENTS

## Extension of cooperation with Vodafone Group

From 1 February 2020 the Group has extended its branding and access partnership with Vodafone Group for next 5 years with extension option for one year. A new strategic partnership gives an access to Vodafone's international expertise in areas such as IT transformation, IoT and 5G.

## Spectrum Reallocation

As planned, in March 2020 the Group obtained licenses for 2G and 4G communications in the 900 MHz band (with the total cost UAH 265 million). Start of their use is scheduled for 1 July 2020. New licenses may allow the Group to expand its 4G coverage in a cost effective manner.

## Eurobond issue

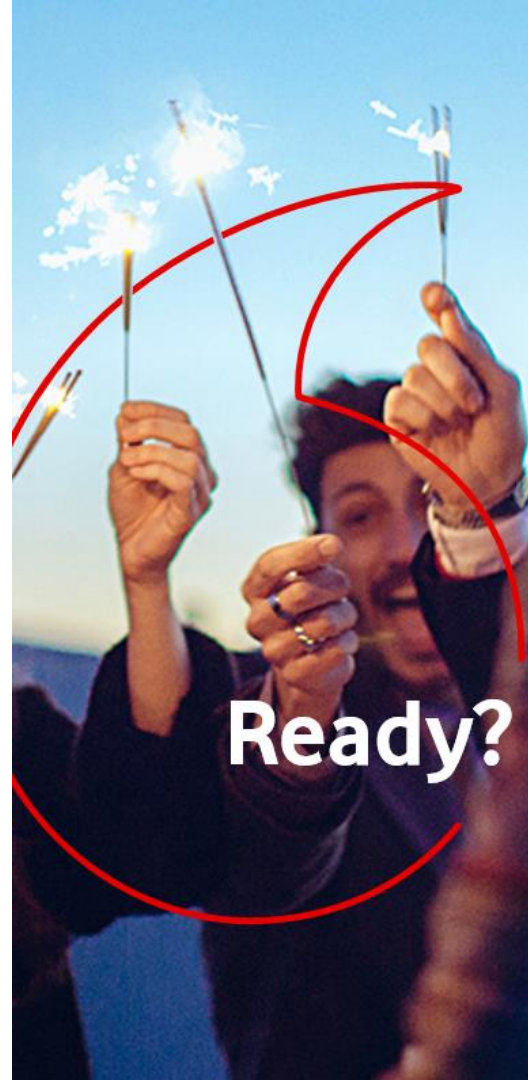
On 5 February 2020 the Group has raised funding in the form of a Eurobond issue for the period of five years with amount of USD 500 million (UAH 12,426 millions as of the date of issue) with a coupon rate of 6.2%

## LTE deployment

The Group continues to increase its LTE coverage within the Country in line with growing demand for Data services. At the 31 of March 71% of population were covered with fast speed 4G (+ 2 p.p. vs the end of 2019). 1600 new LTE base Stations were launched over the 1<sup>st</sup> quarter in 2020.

## Social responsibility during the pandemic

The Group actively supports the Government, customers and partners in the race against the Covid-19 pandemic via providing direct Financial Aid to the Government (1 EUR mln.) as well as providing free access to the online services and communication.



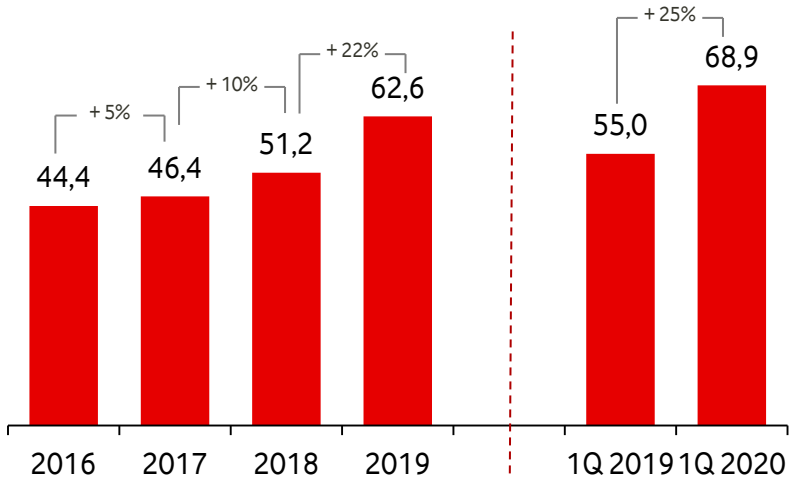


# GROUP OPERATIONAL PERFORMANCE

## (ARPU & Customer base)

ARPU evolution (UAH)

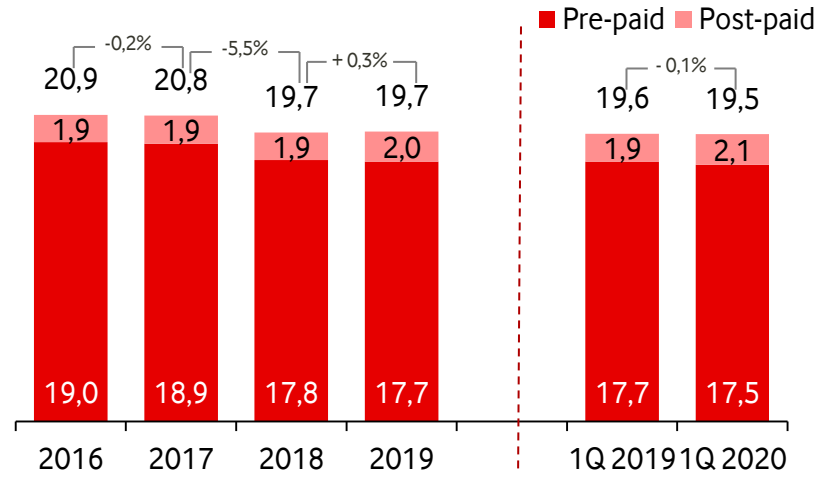
Q1'20 vs Q1'19 ↑ 25% / UAH 13,9



› **New tariffs capitalize** on the increasing demand for data usage, forming positive backdrop for growth in ARPU **from UAH 55.0 as of Q1 2019 to UAH 68.9 in Q1 2020**. ARPU dynamics reflect evolution of the wider mobile market resulting from an increased smartphone penetration and 4G network development

Customer base, EoP (mln)

Q1'20 vs Q1'19 ➡ (0,1)% / (0,02) mln



› Despite slightly slowdown in number of the Pre-paid customers in Q1 2020 vs. Q1 2019 (as a result of lower activation during quarantine measures and gradual multi-cards decrease) the total **customer base of Vodafone Ukraine remains relatively stable** by growing Post-paid a (incl. IoT) connections



# Q&A

