

Q3 2020 VF Ukraine Group Results



November 10, 2020



SOLID TRACK RECORDS IN 3Q 2020

Changes in key indicators

	UAH (mln)			USD (mln)*		
	3Q 2019	3Q 2020	↑↓	3Q 2019	3Q 2020	↑↓
Revenue	4 262	4 789	12%	169	174	3%
OIBDA	2 294	2 556	11%	91	93	2%
OIBDA, %	53,8%	53,4%	-0,4%	53,8%	53,4%	-0,4%
Net profit	845	157	-81%	33	6	-82%
CAPEX	936	871	-14%	37	32	-14%

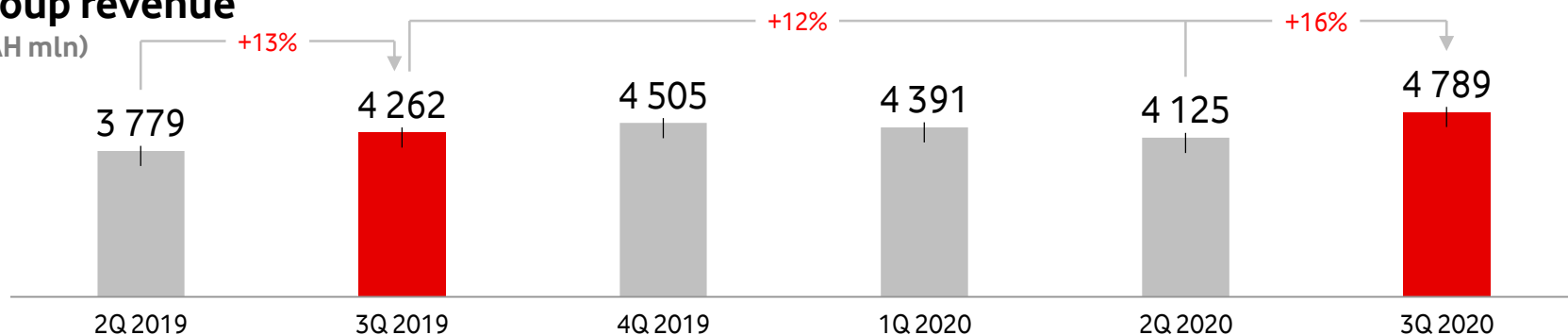
* Average rate for quarter (25.26 UAH/USD for 3Q 2019, 27.60 UAH/USD for 3Q 2020)



GROUP PERFORMANCE

Group revenue

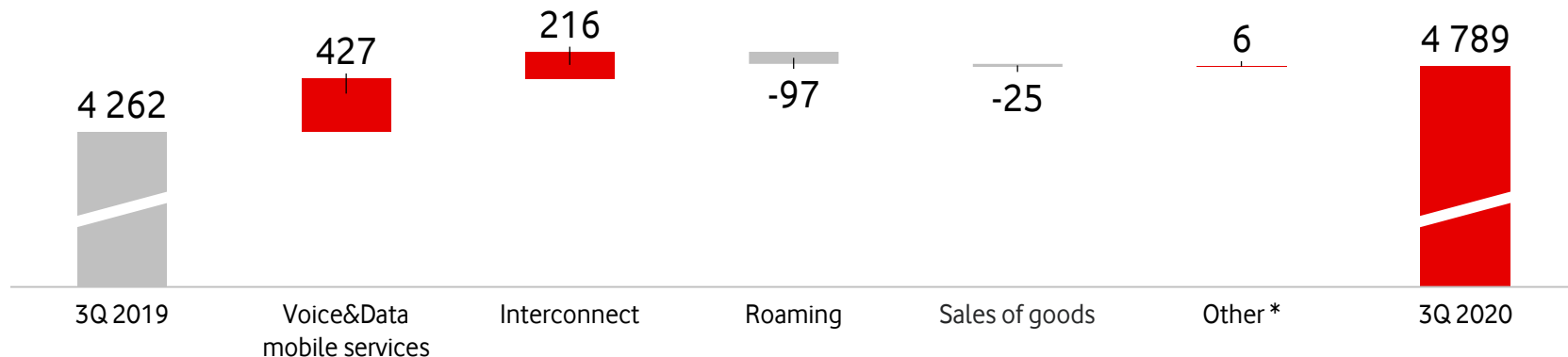
(UAH mln)



Group revenue: factor analysis

(UAH mln)

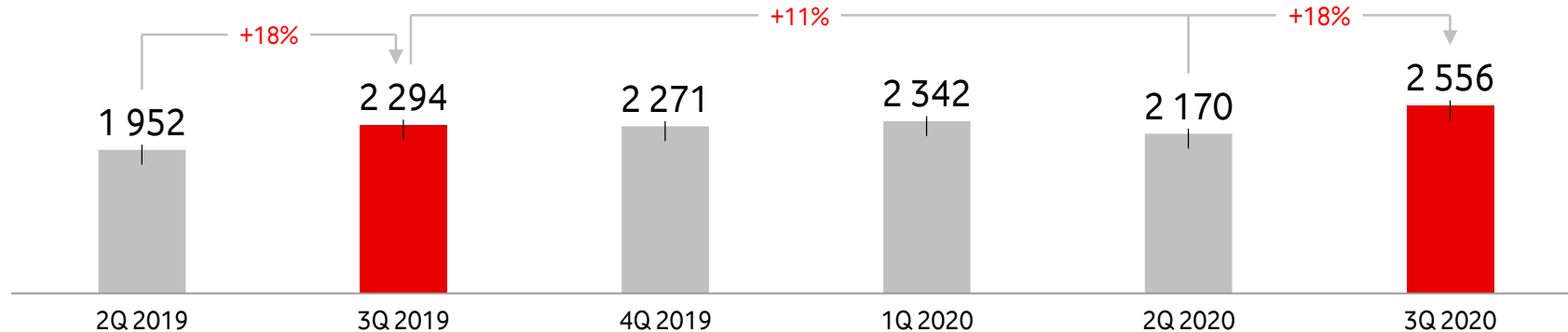
+12 % YoY



GROUP PERFORMANCE

Group OIBDA

(UAH mln)



Group OIBDA : factor analysis

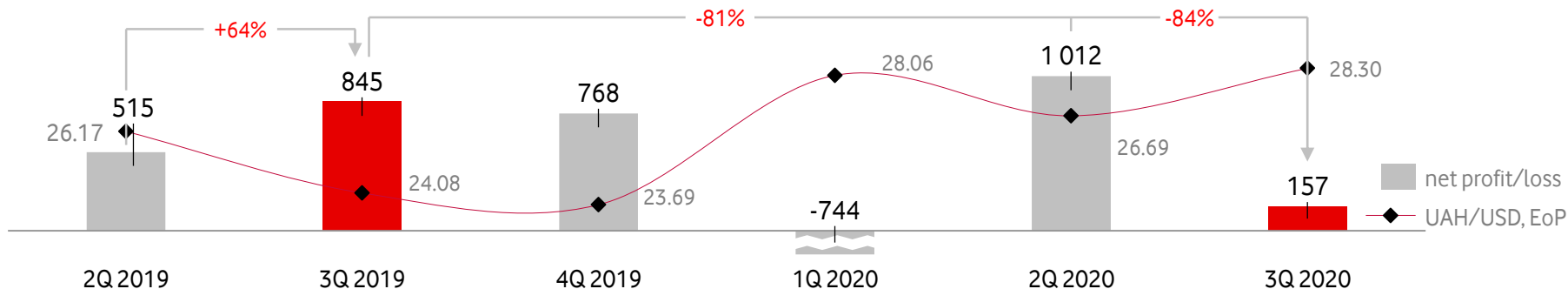
(UAH mln)



GROUP PERFORMANCE

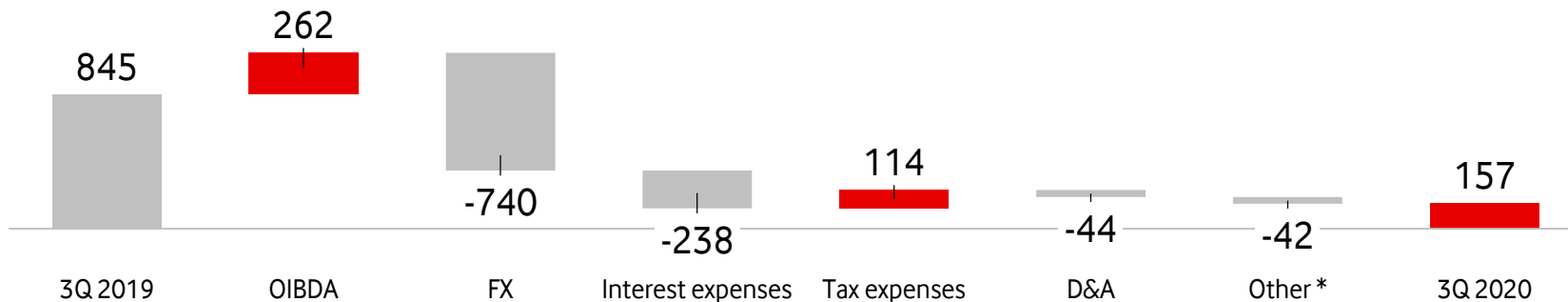
Group net profit/(loss)

(UAH mln)



Group net profit: factor analysis

(UAH mln)



* other includes interest income, income from disposal of assets



CAPITALIZATION

Debt profile

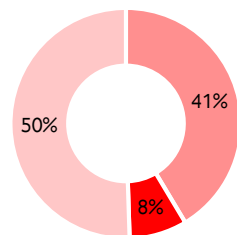
- ✓ On 5-th February 2020 the Group successfully issued debut Eurobonds a 5-years tranches in amount of USD 500 million with a coupon rate of 6.2%
- ✓ As of 30.09.2020 the total amount of pay off Eurobonds is USD 16,8 million
- ✓ VF Ukraine has entered into FX Forward contracts to hedge the interest payments due in 2021. Additional opportunities for hedging of the principal and interest are being explored and negotiated with Banks.
- ✓ Other debt in main part is Lease obligation (related to right-of-use assets recorded as a result of the application of IFRS 'Leases' standard).

CREDIT RATINGS as of 30.09.2020:

Fitch B / Stable

S&P B / Stable

As of 30 September 2020 (UAH, bln)



- Total equity
- Cash, cash eq. and deposits
- Total debt

Cash, cash equivalents and deposits¹

Total debt

Notes² payable (Eurobond issue, principal)

Notes payable (Eurobond issue, %)

Other debt (Lease obligations (under IFRS 16))

Total equity

Total Capitalization

Net debt

OIBDA LTM

Total Debt/OIBDA

Net Debt/OIBDA

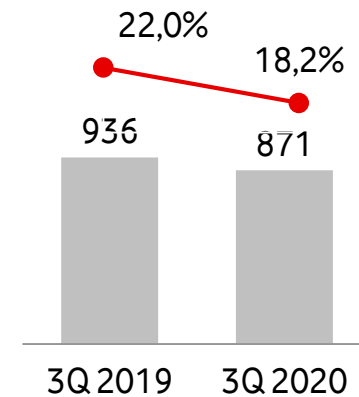
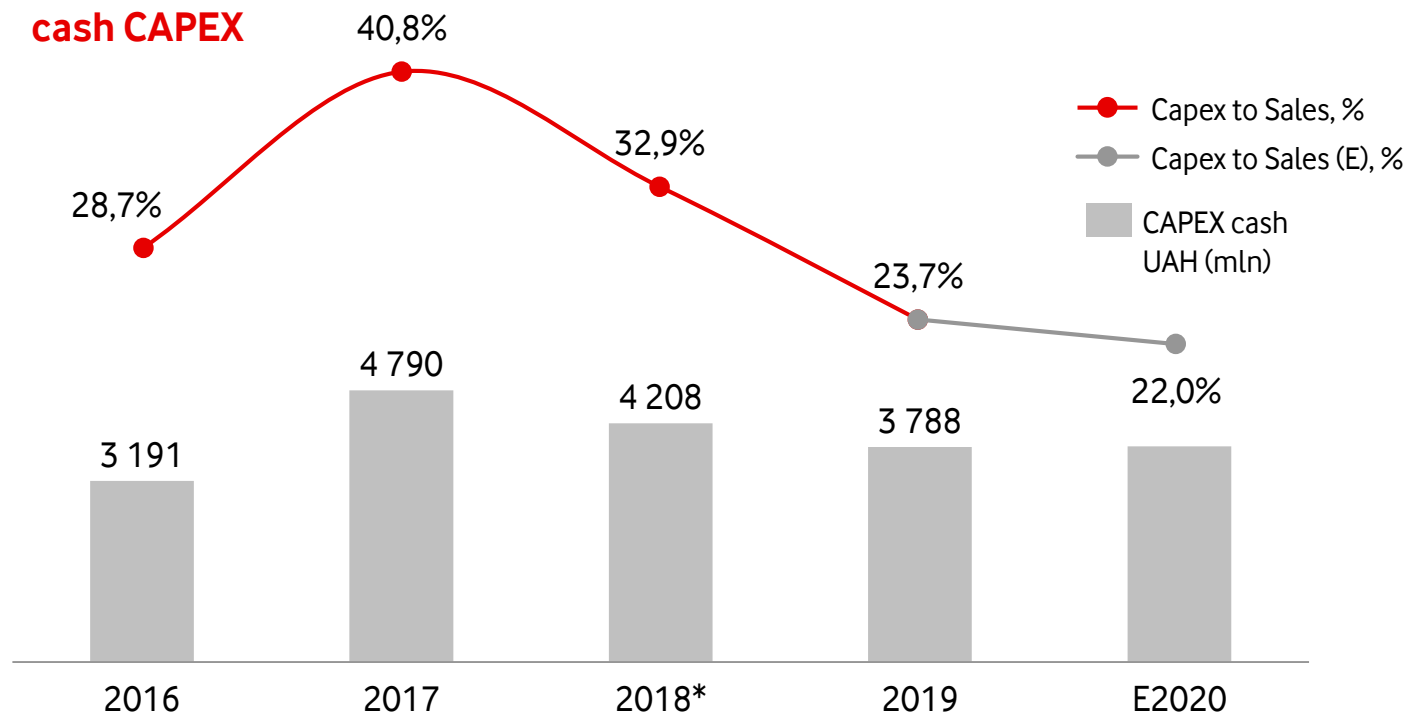
	28,30 UAH/USD	-10% 25,47 UAH/USD	+10% 31,13 UAH/USD
Cash, cash equivalents and deposits ¹	3,0	2,7	3,2
Total debt	18,0	16,5	19,5
Notes ² payable (Eurobond issue, principal)	13,2	11,9	14,6
Notes payable (Eurobond issue, %)	0,1	0,1	0,1
Other debt (Lease obligations (under IFRS 16))	4,7	4,5	4,8
Total equity	14,8	14,8	14,8
Total Capitalization	32,8	31,3	34,3
Net debt	15,0	13,8	16,3
OIBDA LTM	9,3	9,4	9,3
Total Debt/OIBDA	1,9x	1,8x	2,1x
Net Debt/OIBDA	1,6x	1,5x	1,8x

¹ structure: 21% UAH; 31% EUR; 48% USD

² Fair value amount - USD 469 million



GROUP CAPEX



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

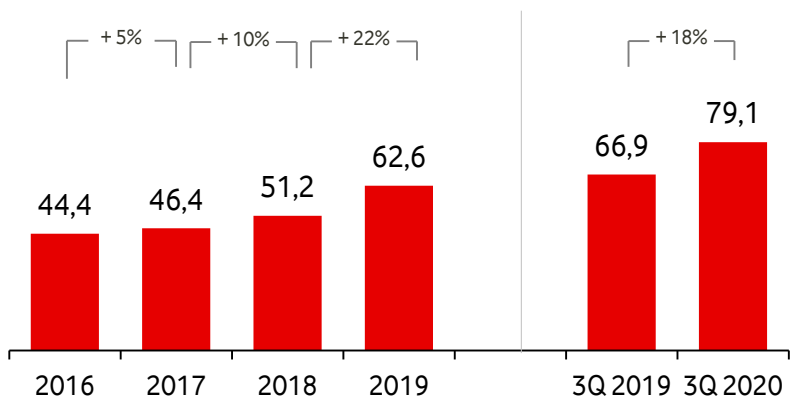


GROUP OPERATIONAL PERFORMANCE

(ARPU & Customer base)

ARPU evolution (UAH)

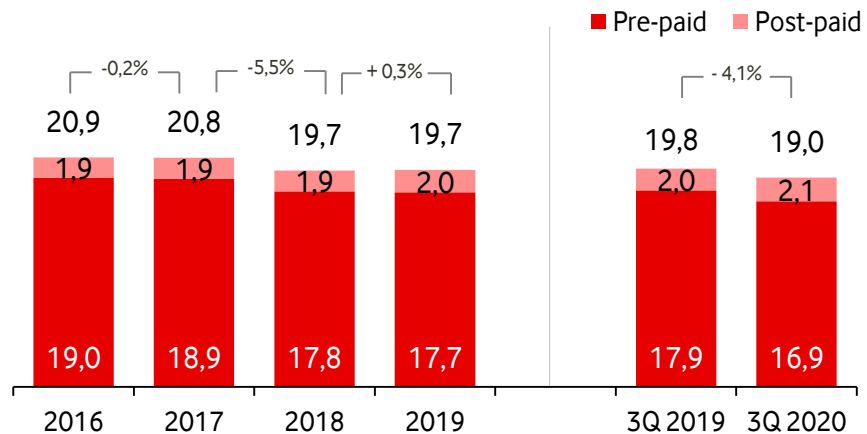
Q3'20 vs Q3'19 ↑ 18% / UAH 12,2



- Increasing in data usage per subscriber (1,4x Y-o-Y to 5 Gb/user) as well as growth of smartphone penetration and 4G network development formed a positive backdrop for growth in ARPU **from UAH 66.9 as of Q3 2019 to UAH 79.1 in Q3 2020.**

Customer base, EoP (mln)

Q3'20 vs Q3'19 ↓ (4,1)% / (0,8) mln



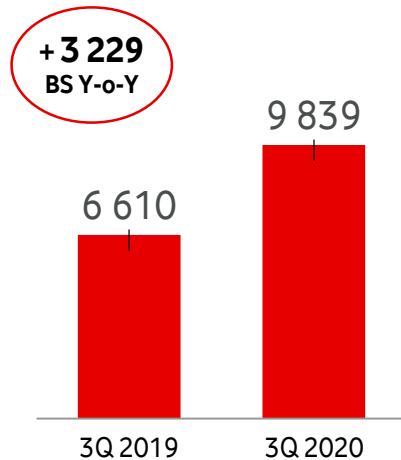
- As a result of lower gross adds during quarantine measures as well as reduction of multi-SIM users trend, the customer base decreased by 4,1% in Q3 2020 vs. Q3 2019. The Post-paid base has tendency to grow with higher level of B2B V&D and IoT connections.



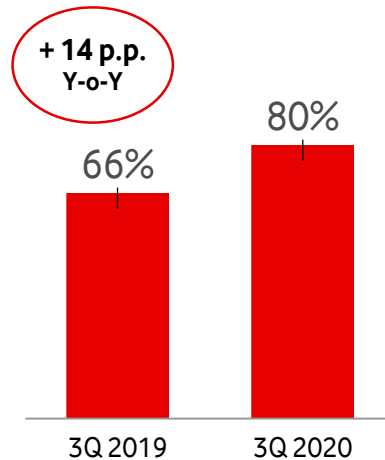
CREATING COVERAGE IN RURAL AREAS

- Following obtaining LTE license in the 900 MHz band the **Group launched new LTE 900 network** starting 1 July 2020. The Group believe that the new license will allow to meet its 4G coverage targets in a cost **effective** manner

Number of 4G BS



Population coverage, %



The launch of 4G in 900 MHz range provided a significant increase in LTE coverage (population coverage 80%, including 4% due to LTE 900)



Q&A

