



# **VF Ukraine Group results 9M 2022**

Presented by VF Ukraine

07 November 2022



# Disclaimer

For the purposes of this important information and disclaimer, the presentation shall mean and include the slides, the oral presentation of the slides by Private Joint Stock Company “VF Ukraine” (the “Company”, and jointly with its subsidiaries, the “Group”) or any person on its behalf, any question-and-answer session that follows the oral presentation, hard copies of this document and any materials distributed in connection with the presentation.

THIS PRESENTATION IS NOT AN OFFER OR SOLICITATION OF AN OFFER TO BUY OR SELL SECURITIES. IT IS SOLELY FOR USE AT AN INVESTOR PRESENTATION AND IS PROVIDED FOR INFORMATION PURPOSES ONLY. THIS PRESENTATION DOES NOT CONTAIN ALL OF THE INFORMATION THAT IS MATERIAL TO AN INVESTOR. BY ATTENDING THE PRESENTATION OR BY READING THE PRESENTATION SLIDES YOU ACKNOWLEDGE AND AGREE TO BE BOUND AS FOLLOWS:

This presentation is intended to provide a general overview of the Group’s business and does not purport to deal with all aspects and details regarding the Group. The information contained in this presentation is only current as at the date of the presentation and is subject to further verification and amendment in any way without liability or notice to any person. The contents of this presentation have not been verified by or on behalf of the Company or any of its advisers or by any independent third party. Accordingly, neither of the Group nor any of its affiliates, directors, officers, employees or advisers make any representation or warranty, express or implied, as to, and no reliance should be placed on, the fairness, accuracy or completeness of the information contained in this presentation or of the views given or implied. None of the foregoing shall have any liability whatsoever for any errors or omissions or any loss howsoever arising, directly or indirectly, from any use of this information or its contents or otherwise arising in connection therewith.

This presentation does not constitute or form part of any advertisement of securities, any offer or invitation to sell or issue or any solicitation of any offer to purchase or subscribe for, any securities in any jurisdiction, any form of financial opinion, recommendation or investment advice with respect to any securities, nor shall it or any part of it nor the fact of its presentation or distribution form the basis of, or be relied on in connection with any investment decision. No reliance may be placed for any purpose whatsoever on the information contained in this presentation, or any other material discussed verbally, or on its completeness, accuracy or fairness.

This presentation is strictly confidential to the recipient, may not be distributed to the press or any other person, and may not be reproduced in any form. Failure to comply with this restriction may constitute a violation of applicable securities laws. Misuse of some or all of the information contained in this document (and any other information which may be provided to the recipient) or of any other confidential matters relating to a possible securities offering may constitute behavior amounting to market abuse and a breach of applicable laws. Any such information is given in confidence. All confidentiality obligations stated in this disclaimer will be in force indefinitely as from the date the recipient receives the present document.

Certain information contained in this presentation constitutes “forward-looking statements”. Forward-looking statements include potential for future growth, liquidity, capital resources and capital expenditures, growth in demand for products, economic outlook and industry trends, development of markets, the impact of regulatory initiatives and the strength of competitors. The forward-looking statements in this presentation are based upon various assumptions, many of which are based, in turn, upon further assumptions, including without limitation, management’s examination of historical operating trends, data contained in the Company’s records and other data available from third parties. These assumptions are inherently subject to significant uncertainties and contingencies which are difficult or impossible to predict and are beyond its control and it may not achieve or accomplish these expectations, beliefs or projections.

CONTINUED ON THE NEXT SLIDE



# Disclaimer

CONTINUED FROM THE PREVIOUS SLIDE

In addition, important factors that, in the view of the Company, could cause actual results to differ materially from those discussed in the forward-looking statements include the achievement of the anticipated levels of profitability, growth, cost and its recent acquisitions, the impact of competitive pricing, the ability to obtain necessary regulatory approvals, and the impact of general business and global economic conditions. Past performance should not be taken as an indication or guarantee of future results, and no representation or warranty, express or implied, is made regarding future performance. These forward looking statements speak only as at the date as of which they are made, and none of the Company, the advisers or any of their respective members, directors, officers, employees, agents or advisers intend or have any duty or obligation to supplement, amend, update or revise any of the forward-looking statements contained in this presentation, or to reflect any change in the Company's expectations with regard thereto or any change in events, conditions, or circumstances on which any such statements are based or to update or to keep current any other information contained in this presentation.

This presentation is not directed to, or intended for distribution to or use by, any person or entity that is a citizen or resident of, or located in, any locality, state, country or other jurisdiction where such distribution or use would be contrary to law or regulation or which would require any registration or licensing within such jurisdiction. The securities have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state or other jurisdiction of the United States and such securities may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except to qualified institutional buyers ("QIBs") in reliance on the exemption from registration provided by Rule 144A under the Securities Act ("Rule 144A") that are also qualified purchasers ("QPs") within the meaning of Section 2(A)(51) of the U.S. Investment Company Act of 1940, and to certain non-U.S. persons in "offshore transactions" in reliance on Regulation S under the Securities Act. Accordingly, this presentation is being provided only to persons that are (i) QIBs that are also QPs or (ii) non-U.S. persons outside the United States in accordance with Regulation S under the Securities Act. By accepting this information, you warrant that you are (i) a non-U.S. person outside the United States (within the meaning of Regulation S) or (ii) a QIB that is also a QP. No public offering of the securities will be made in the United States of America or in any other jurisdiction where such an offering is restricted or prohibited. Any failure to comply with this restriction may constitute a violation of United States securities laws.

This presentation is made to and is directed only at persons in the United Kingdom having professional experience in matters relating to investments who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, and to those persons to whom it can otherwise lawfully be distributed.

In addition, this presentation is only directed at, and being distributed in the European Economic Area ("EEA"), to persons who are "qualified investors" within the meaning of Article 2(e) of Regulation (EU) 2017/1129.



# Solid track records in 9M 2022

## Changes in key indicators

	UAH, mln			USD, mln <sup>1</sup>		
	9M 2021	9M 2022	↑↓	9M 2021	9M 2022	↑↓
Revenue	14,833	14,720	-1%	540	476	-12%
OIBDA	8,226	8,372	2%	299	271	-9%
OIBDA, %	55.5%	56.9%	1.4	55.5%	56.9%	1.4
Net profit/loss	3,120	-620	-120%	113	-20	-118%
CAPEX	2,082	2,030	-2%	76	66	-13%

<sup>1</sup> Average rate for 9M 2022 is 30.95 UAH/USD (27.49 UAH/USD for 9M 2021)

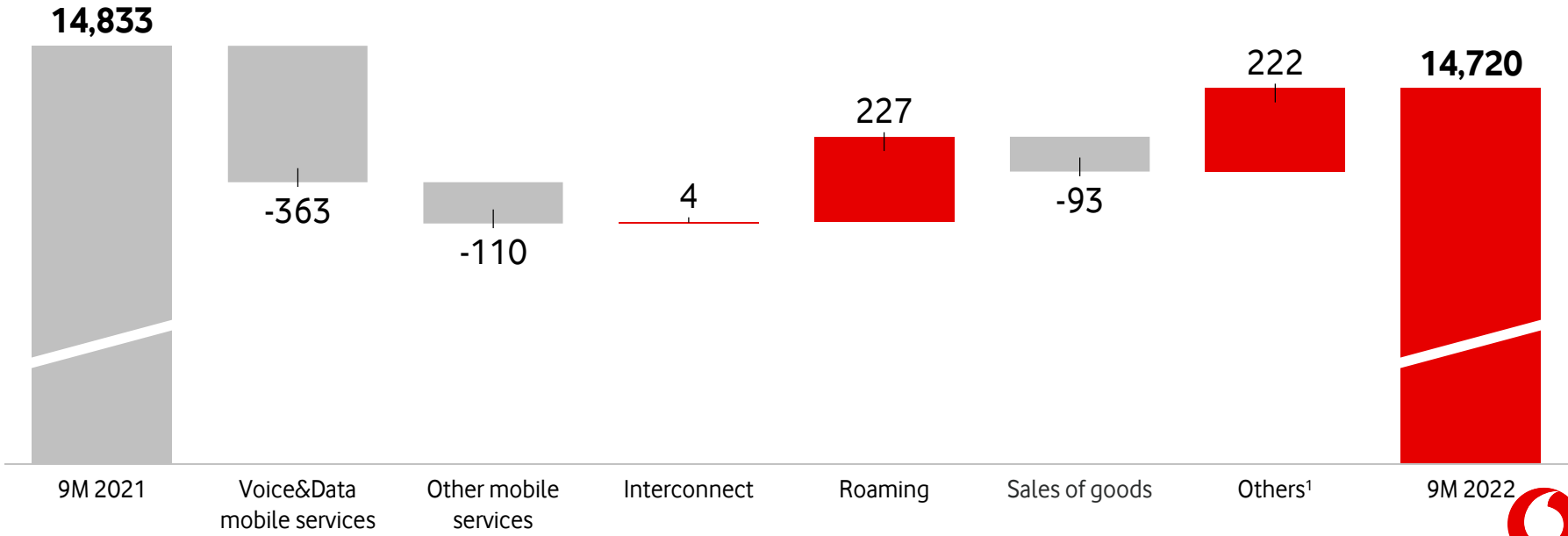


# Group performance

## Group revenue: factor analysis

(UAH, mln)

**-1 % YoY**



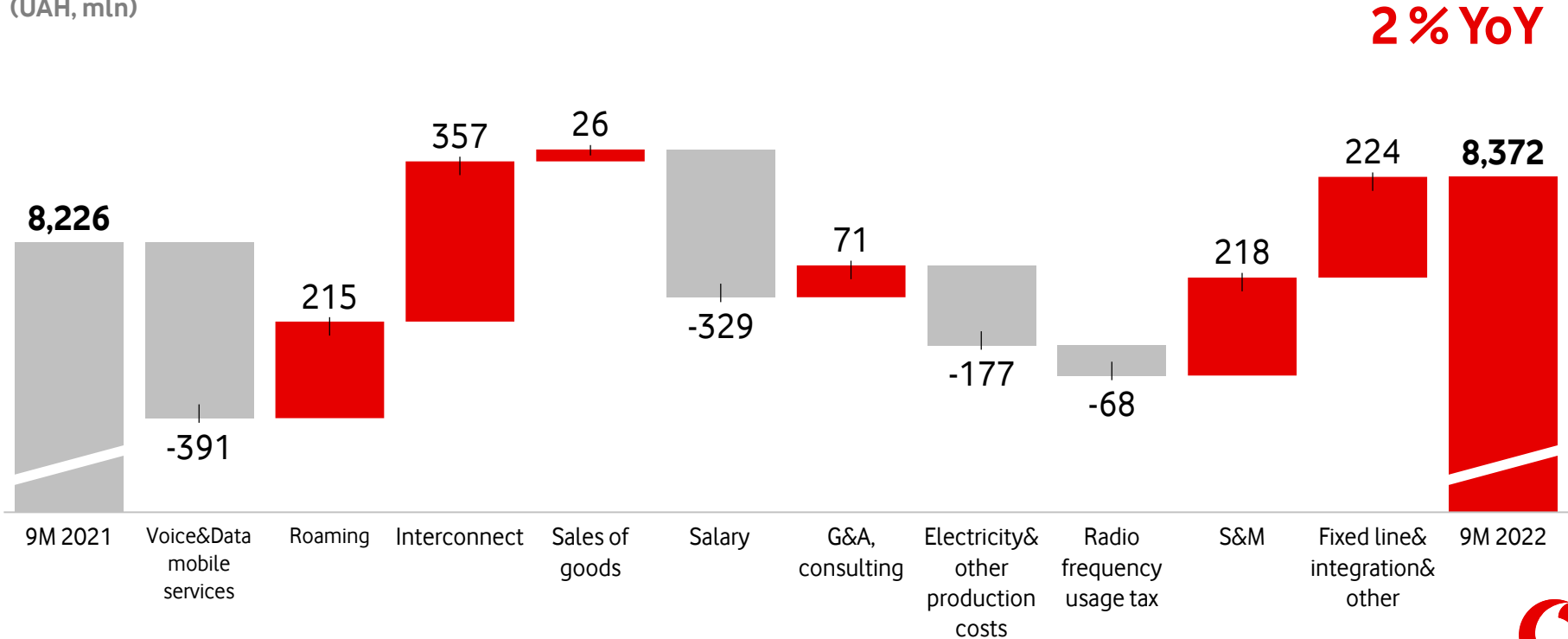
¹ Others includes Fixed business revenue (growth due to the Vega acquisition) and Revenue from integration services



# Group performance

## Group OIBDA: factor analysis

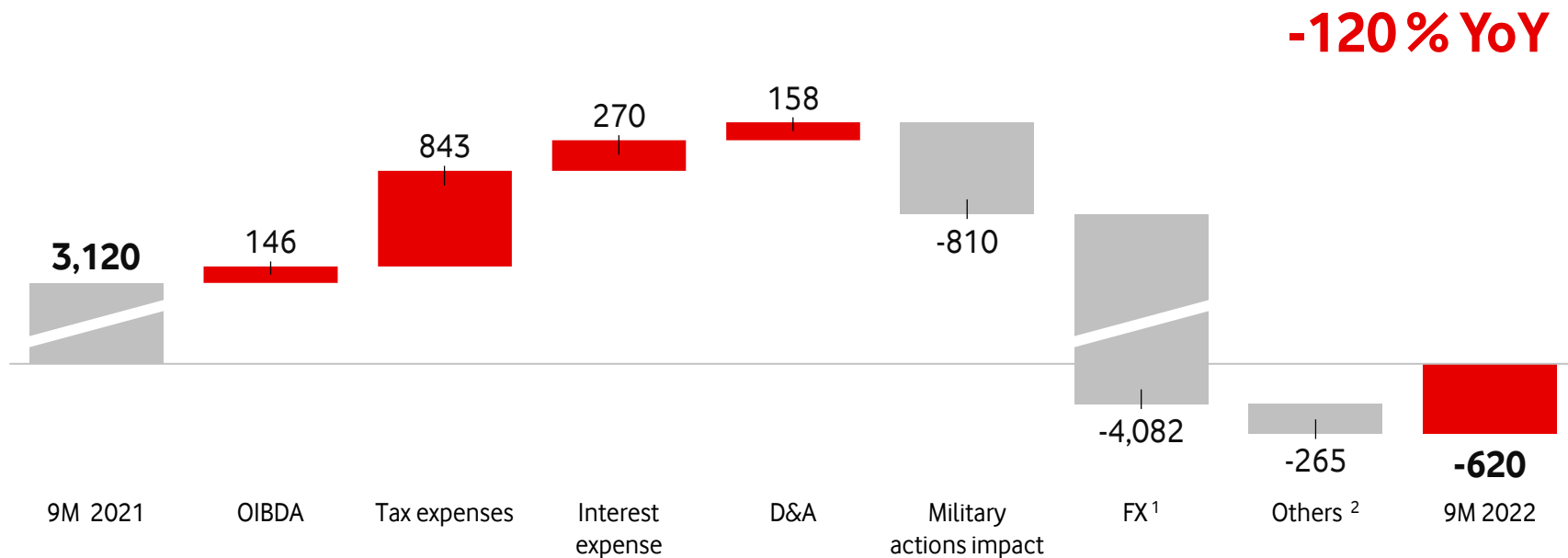
(UAH, mln)



# Group performance

## Group net profit: factor analysis

(UAH, mln)

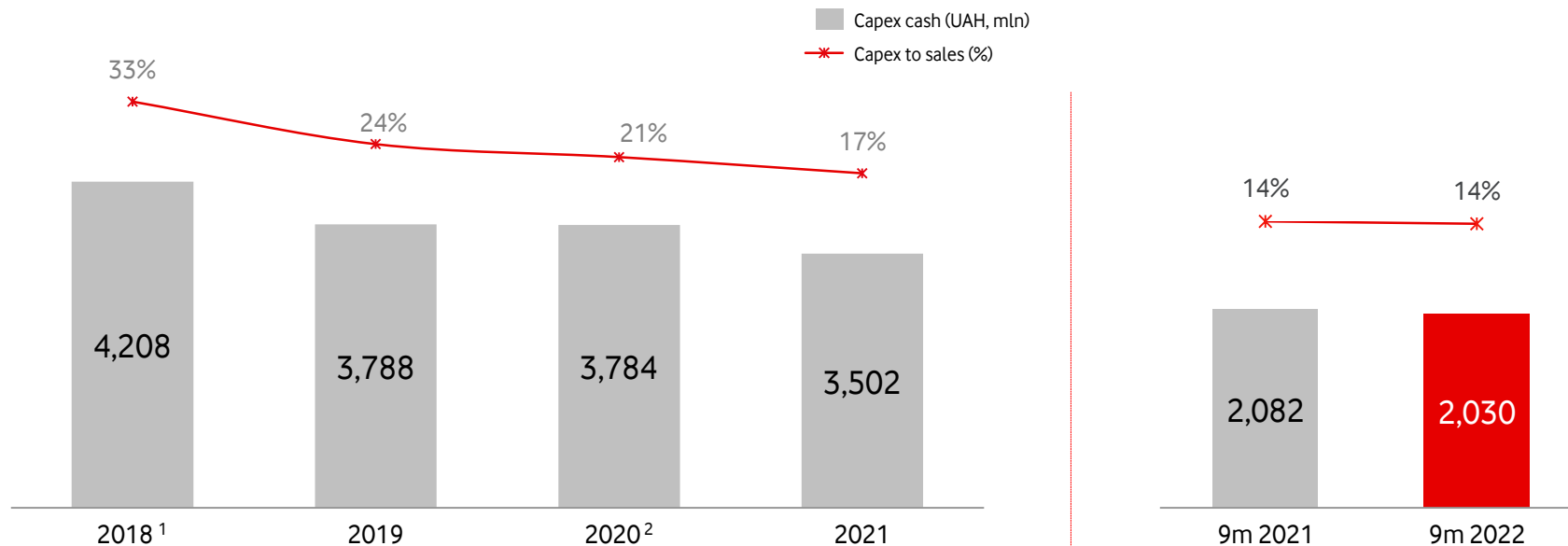


<sup>2</sup> Others include ECL, interest income



# Group CAPEX

## CAPEX dynamic



<sup>1</sup> Excluding the costs of UAH 2,433 million related to the purchase of 4G licenses in 2018

<sup>2</sup> Excluding the costs of UAH 267 million related to the purchase of spectrum licenses in 2020





# Capitalization

## Debt profile

- On 5 February 2020 the Group successfully issued debut Eurobonds: a 5-years tranche in amount of USD 500 million with a coupon rate of 6.2%
- Maximum consolidated leverage ratio for the period ending prior to (and including) 11 February 2022 had to be 2,75 and 2,5 for any other period. On 3 September 2021 the Group entered into the covenant change agreement allowing to pay out dividends and other restricted payments providing no Event of Default and no excess in the Consolidated leverage ratio 2x as a result of such payments
- As of 30.09.2022 the total face amount of Eurobonds pay off is USD 100,1 million
- On 10 August 2022 the Group made interest payment under the terms of Loan Agreement

## CREDIT RATINGS as of 30.09.2022

<b>Fitch</b>	<b>CCC</b>
<b>S&amp;P</b>	<b>CCC+</b>

## As of 30 September 2022

	USD, mln	UAH, mln	UAH, mln	
		36.57	+10%	+20%
			40.23	43.88
Cash, cash equivalents and deposits <sup>1</sup>	<b>172</b>	<b>6,273</b>	<b>6,595</b>	<b>6,918</b>
<b>Total debt</b>	<b>515</b>	<b>18,847</b>	<b>20,452</b>	<b>22,059</b>
Notes payable (Eurobond issue, principal)	393	14,369	15,805	17,242
Notes payable (Eurobond issue, %)	3	123	136	148
Other debt (Lease obligations (under IFRS 16))	119	4,355	4,511	4,669
<b>Net debt</b>	<b>343</b>	<b>12,574</b>	<b>13,857</b>	<b>15,141</b>
OIBDA <sup>2</sup>	359	11,099	11,032	10,964
<b>Net Debt/OIBDA<sup>3</sup></b>	<b>1.0x</b>	<b>1.1x</b>	<b>1.3X</b>	<b>1,4X</b>

<sup>1</sup> Structure: 48 % UAH; 34 % USD; 18 % EUR

<sup>2</sup> OIBDA = EBITDA (average NBU exchange rate for 9m2022 was 30.95 UAH/USD)

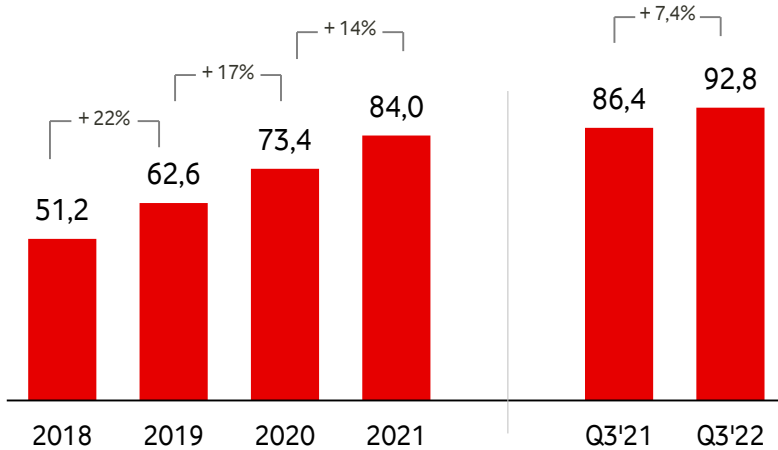
<sup>3</sup> Ratio Net debt/OIBDA will be equal to 1,2 if net loss from military action impact is included



# Mobile business operational performance (ARPU & Customer base)

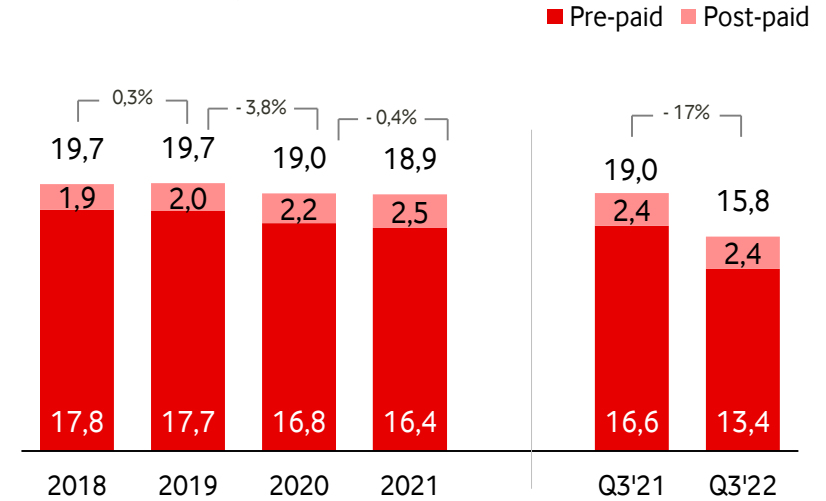
## ARPU evolution (UAH)

Q3'22 vs Q3'21 **↑ 7,4% / UAH 6,4**



## Customer base, EoP (mln)

Q3'22 vs Q3'21 **↓ -17% / (3,2) mln**



The Russian invasion of Ukraine caused mass migration of Ukrainian people abroad, which significantly influenced Q3 2022 customer base. The main War Factors were: customer migration abroad; customer internal migration; customers in the military zone; economic factors; Vodafone network outage at the occupied territories.



# Impact on Network and assets

## The scheme of geographical impact



## Current status

- Vodafone Ukraine team is actively working to restore the damaged areas of the network
  - Around **87%** of sites are operating
  - **~2%** of sites are destroyed
  - Major infrastructure destruction is in places of active military actions
  - **~11%** of sites are in zone of active military actions or on the occupied territory
- All critical elements of technical and IT infrastructure are already diversified within Ukraine





Together we can