

Q3 2021 VF Ukraine Group Results



November «16», 2021



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Solid track records in 3Q 2021

Changes in key indicators

	UAH (mln)			USD (mln) ¹		
	3Q 2020	3Q 2021	↑↓	3Q 2020	3Q 2021	↑↓
Revenue	4 789	5 193	8%	174	193	11%
OIBDA	2 556	2 824	10%	93	105	13%
OIBDA, %	53,4%	54,4%	1,0%	53,4%	54,4%	1,0%
Net profit	157	1 019	549%	6	38	567%
CAPEX	871	591	-32%	32	22	-30%

¹ Average rate for quarter:
3Q 2021 – 26,91 UAH/USD

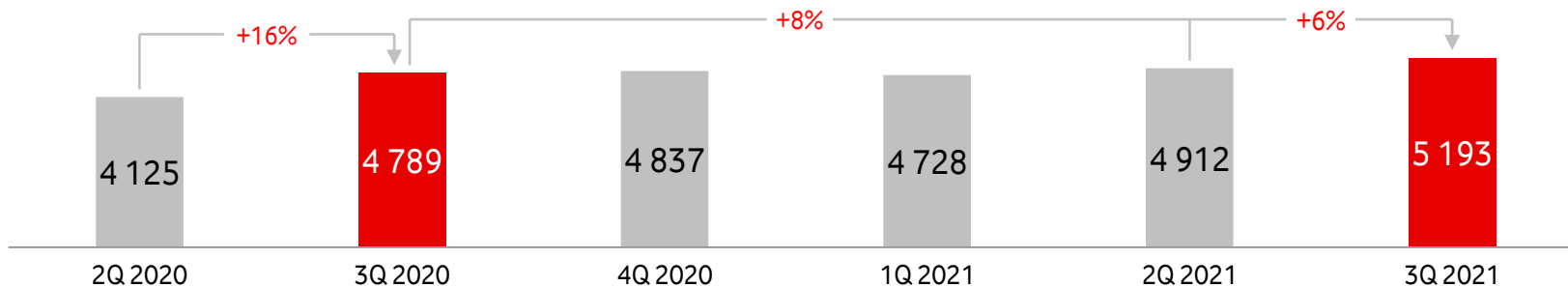
3Q 2020 – 27,60 UAH/USD



Group performance

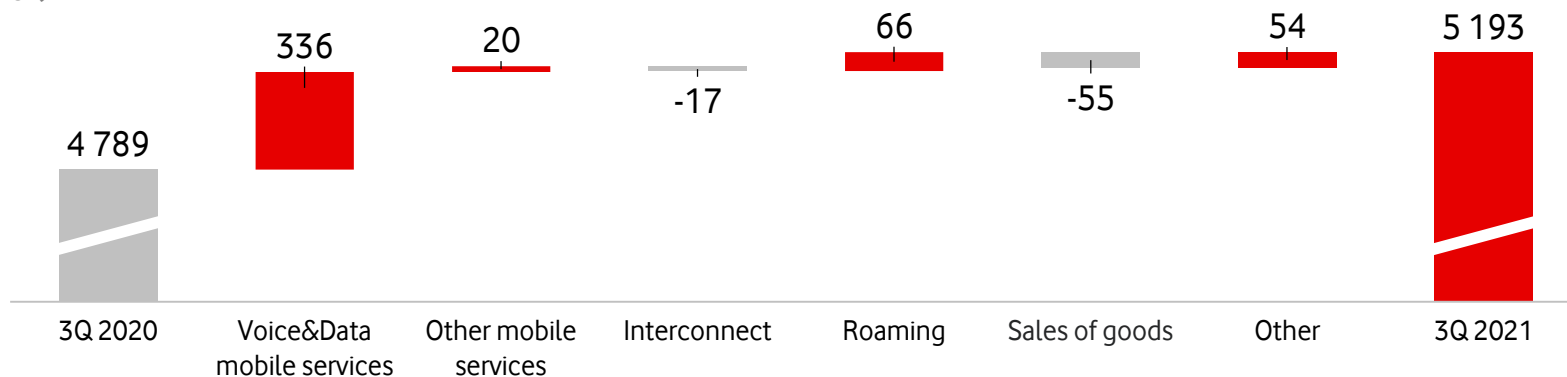
Group revenue

(UAH mln)



Group revenue: factor analysis

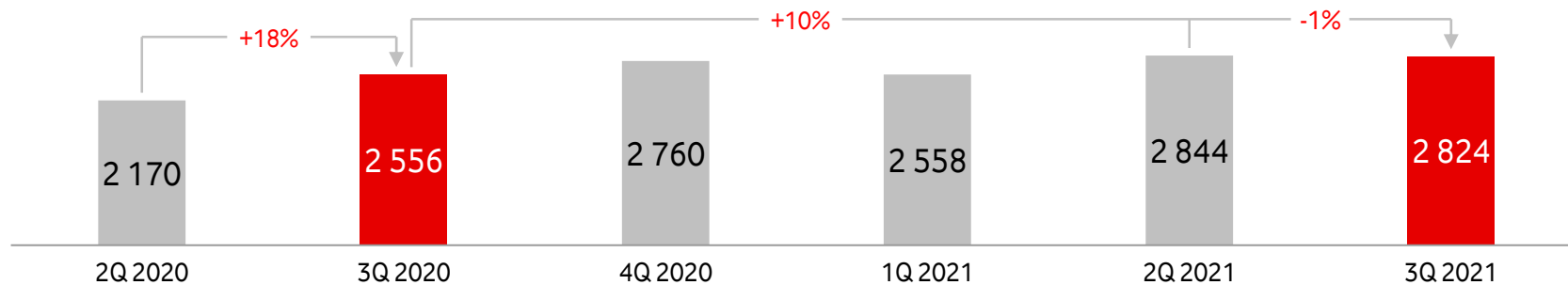
(UAH mln)



Group performance

Group OIBDA

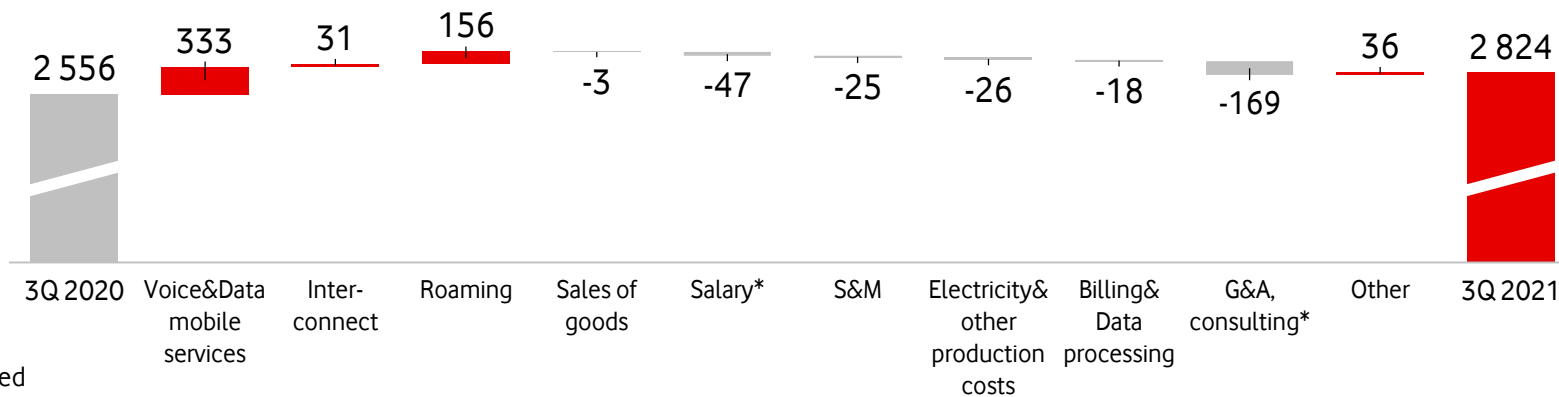
(UAH mln)



Group OIBDA : factor analysis

(UAH mln)

+10% YoY

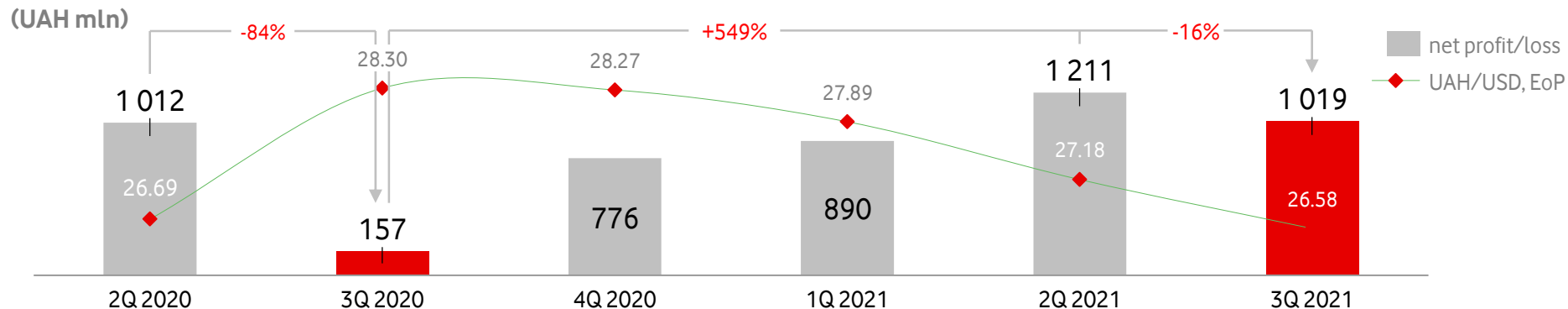


* adjusted

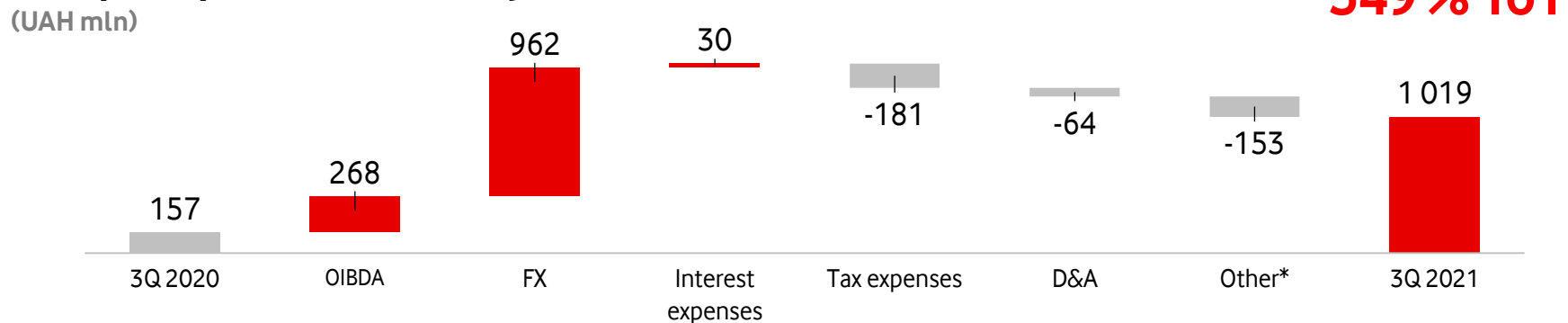


Group performance

Group net profit/(loss)



Group net profit: factor analysis



* other includes covenant changes fee, interest income, other financial cost



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%
- Maximum consolidated leverage ratio for 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 covenant change agreement allowing to pay out dividends and other restricted payments providing no Event of Default and no excess the Consolidated leverage ratio 2 to 1 as a result of such payments
- As of 30.09.2021 the total face amount of pay off Eurobonds is USD 49 million
- 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).

As of 30 September 2021

Cash, cash equivalents and deposits¹
(incl. government bonds)

Total debt

Notes payable (Eurobond issue, principal)
Notes payable (Eurobond issue, %)
Other debt (Lease obligations (under IFRS 16))

Net debt

OIBDA LTM²

Net Debt/OIBDA

	USD, mln	UAH, mln	UAH, mln	
			-10%	+10%
			23,92	29,23
	202	5 375	4 985	5 765
Total debt	623	16 570	15 237	17 903
Notes payable (Eurobond issue, principal)	440	11 700	10 530	12 869
Notes payable (Eurobond issue, %)	4	101	91	111
Other debt (Lease obligations (under IFRS 16))	179	4 769	4 616	4 923
Net debt	421	11 195	10 252	12 138
OIBDA LTM ²	408	10 986	11 005	10 969
Net Debt/OIBDA	1,0x	1,0x	0,9	1,1

CREDIT RATINGS as of 30.09.2021

Fitch B / Positive

S&P B / Stable

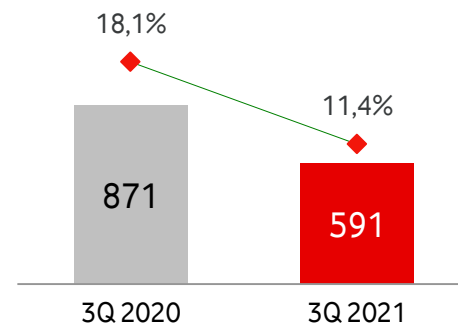
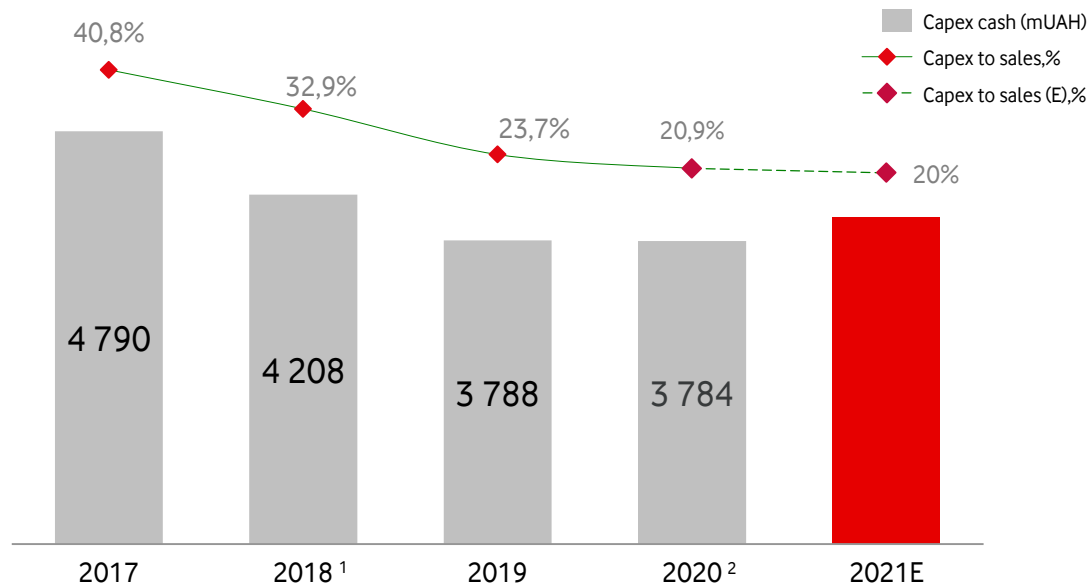
¹ Structure: 28 % UAH; 43 % USD; 29 % EUR

² OIBDA LTM = OIBDA (EBITDA) for last twelve months, (av. NBU exch. rate for 3 Q.2021 26,91 UAH/USD)



Group CAPEX

CAPEX dynamic (UAH, mln)



¹ excluding costs UAH 2,433 million related to the purchase of 4G licenses in 2018

² excluding costs UAH 267 million related to the purchase of spectrum licenses in 2020

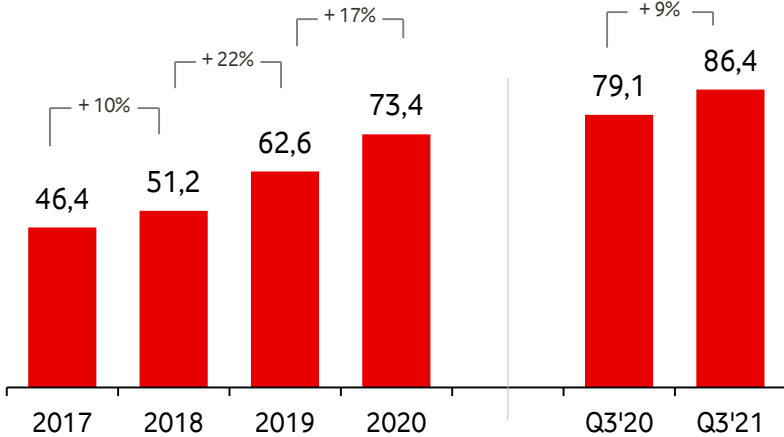


Group Operational Performance

(ARPU & Customer base)

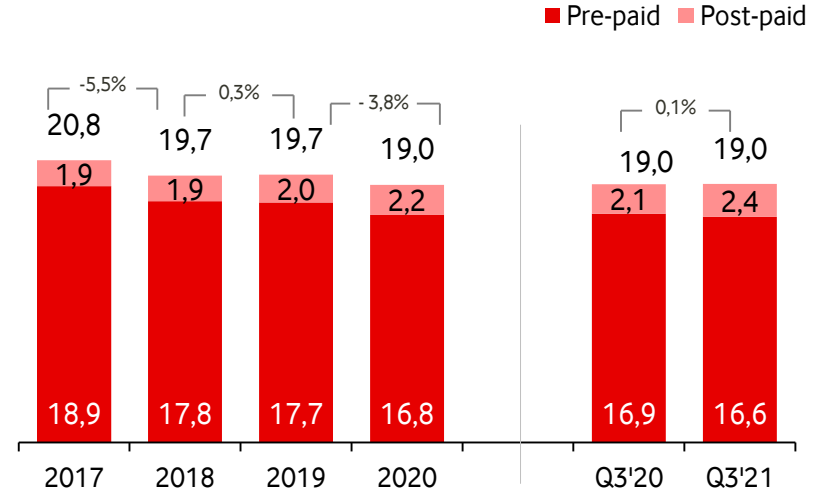
ARPU evolution (UAH)

Q3'21 vs Q3'20 **↑ 9% / UAH 7,3**



Customer base, EoP (mln)

Q3'21 vs Q3'20 **➡ 0,1%**



3M customer base showed slight growth in 3Q'21 y-o-y. One of the main reasons is economic and travel recovery, the comparison benchmark was heavily influenced by COVID quarantine restrictions.

IoT base traditionally has a growing trend.

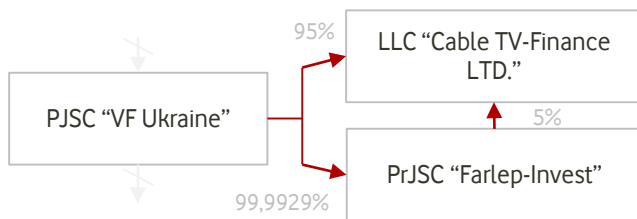


Vega deal completion by VFU Group details

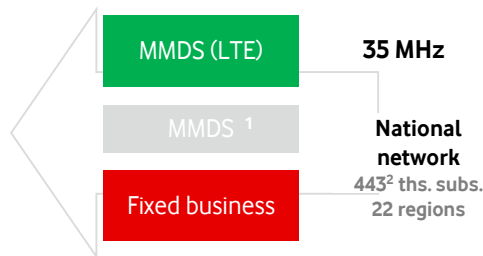
In June 2021, the Company entered into a sale and purchase agreement based on which the Company undertook to purchase the controlling share in the fixed-line telecommunication business, namely 99.9929% of the charter capital of PrJSC “Farlep-Invest” and 95% of the charter capital of LLC “Cable TV-Finance” (jointly referred to as “Vega”) The approval of the Antimonopoly Committee of Ukraine was granted on 19 August 2021 and the completion of this transaction was on 08 September 2021.



Ownership structure



Assets



Management



Serhii Skrypnikov
CEO
Vega

- › 25+ years working in telecommunications industry
- › Held leading positions at Vodafone Ukraine since 2015
- › Working experience in Astelint, Nokia and Life



Oleksandr Mahdyk
CFO
Vega

- › Part of Vodafone Ukraine since 2007
- › CFO positions since 2018 in STS Ukraine, Digital screens and VF retail



Anna Babicheva
HR Director
Vega

- › Part of Vodafone Ukraine since 2012
- › Over 10 years experience including Obi Group Ukraine and McDonalds Ukraine LTD

First moves have been implemented after completion of the deal:

- Management and Corporate Governance structure and participants were renewed
- Set up of Financial controls (payments, verification, review of budget and investment program, etc.)
- Starting implementation of VF standards, values and policies
- Communications at the new level: internal communications with VF Ukraine teams, meetings with Vega’s employees in key regions, news on website and notification for subscribers
- Starting measures regarding security controlling access to the systems

Handover of operational management was successfully implemented at the date of deal completion

¹ – high potential to cover from MMDS to LTE technology.

² – As of 8M2021 the structure of Subscriber base was: Voice subs. – 292 ths., Internet – 109 ths., TV – 41 ths.



Q&A

