



# **VF Ukraine Group 9M 2023 Results**

Presented by VF Ukraine  
November 8, 2023



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# Disclaimer

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# Solid track records in 9M2023

## Changes in key indicators

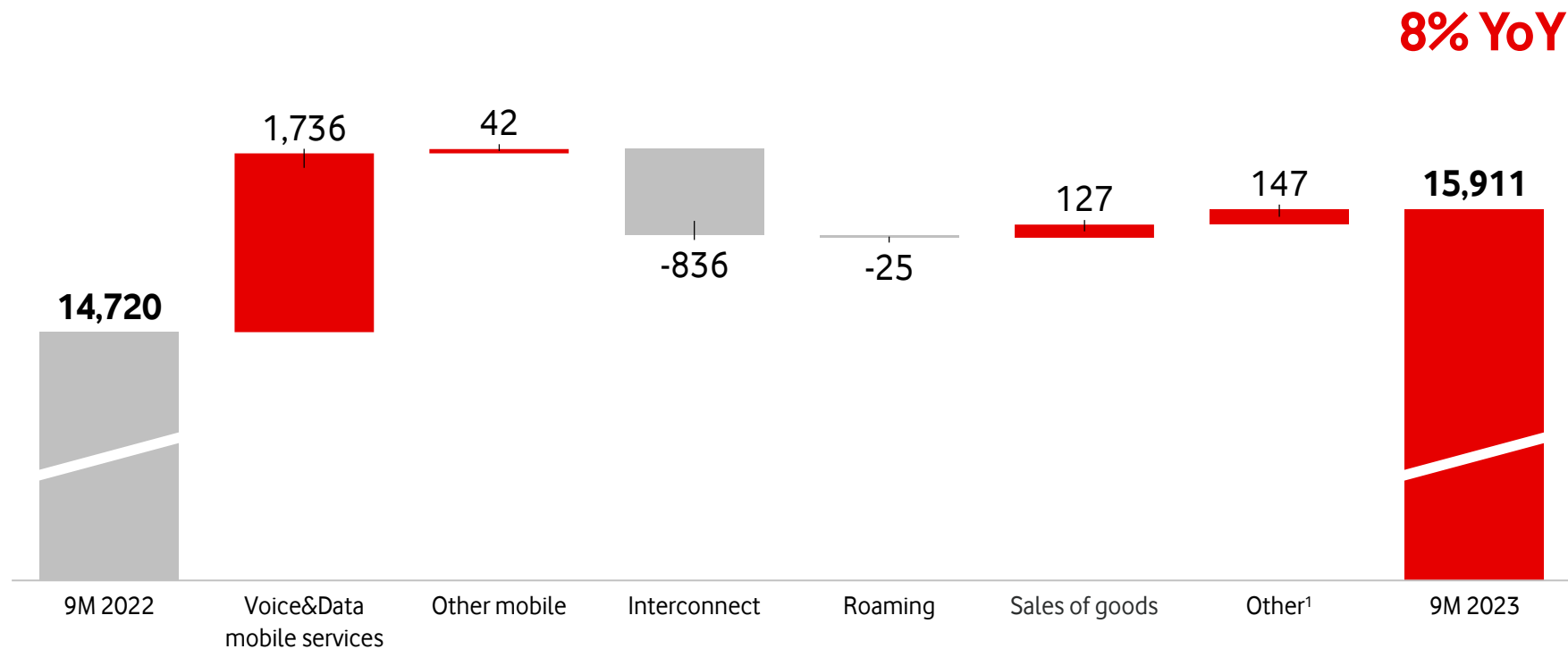
	UAH			USD		
	9M 2022	9M 2023	↑↓	9M 2022	9M 2023	↑↓
Revenue, mln	14,720	15,911	+8%	476	435	-9%
OIBDA, mln	8,372	9,050	+8%	271	247	-9%
OIBDA, %	56.9%	56.9%	0,0	56.9%	56.9%	0,0
Net (loss)/profit, mln	-620	3,807	x7 times	-20	104	x6 times
CAPEX, mln	2,030	3,778	+86%	66	103	+57%
ExRate UAH/USD, average				30.95	36.57	+18%



# Group performance

## Group revenue: factor analysis

(UAH mln)

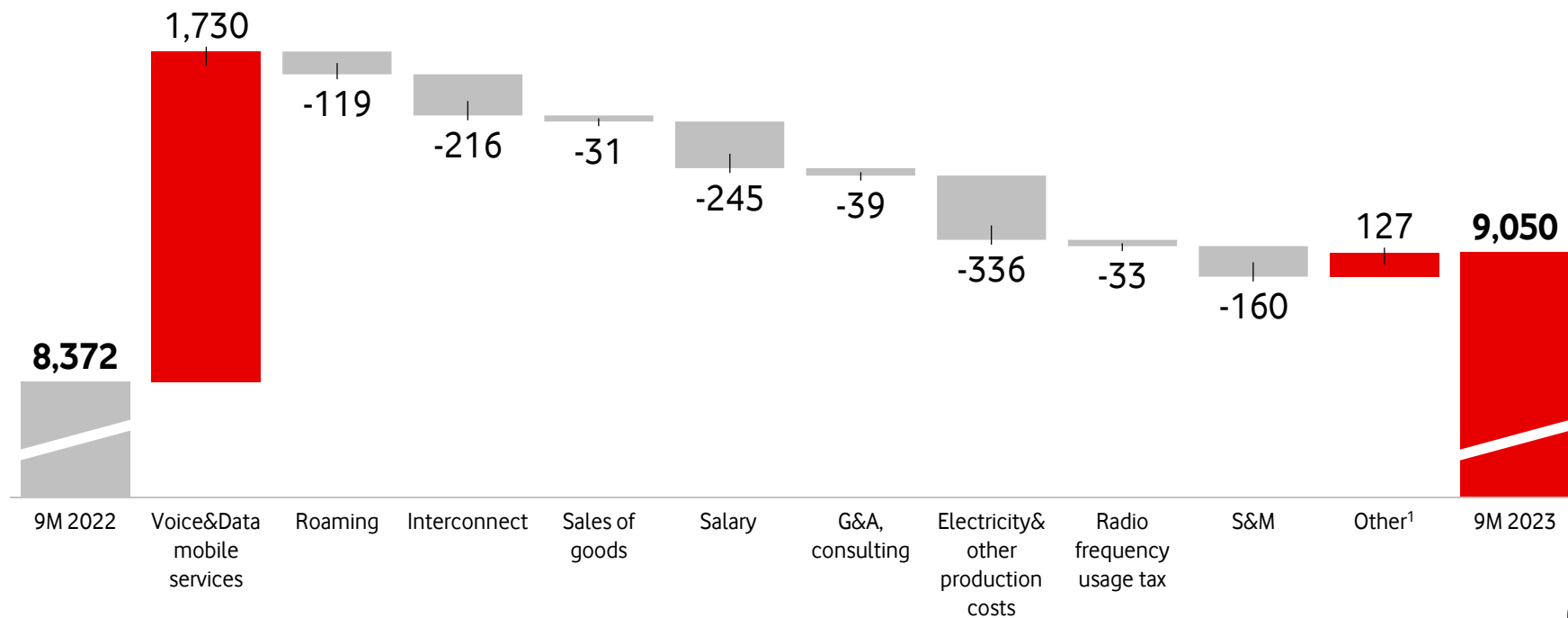


# Group performance

## Group OIBDA: factor analysis

(UAH mln)

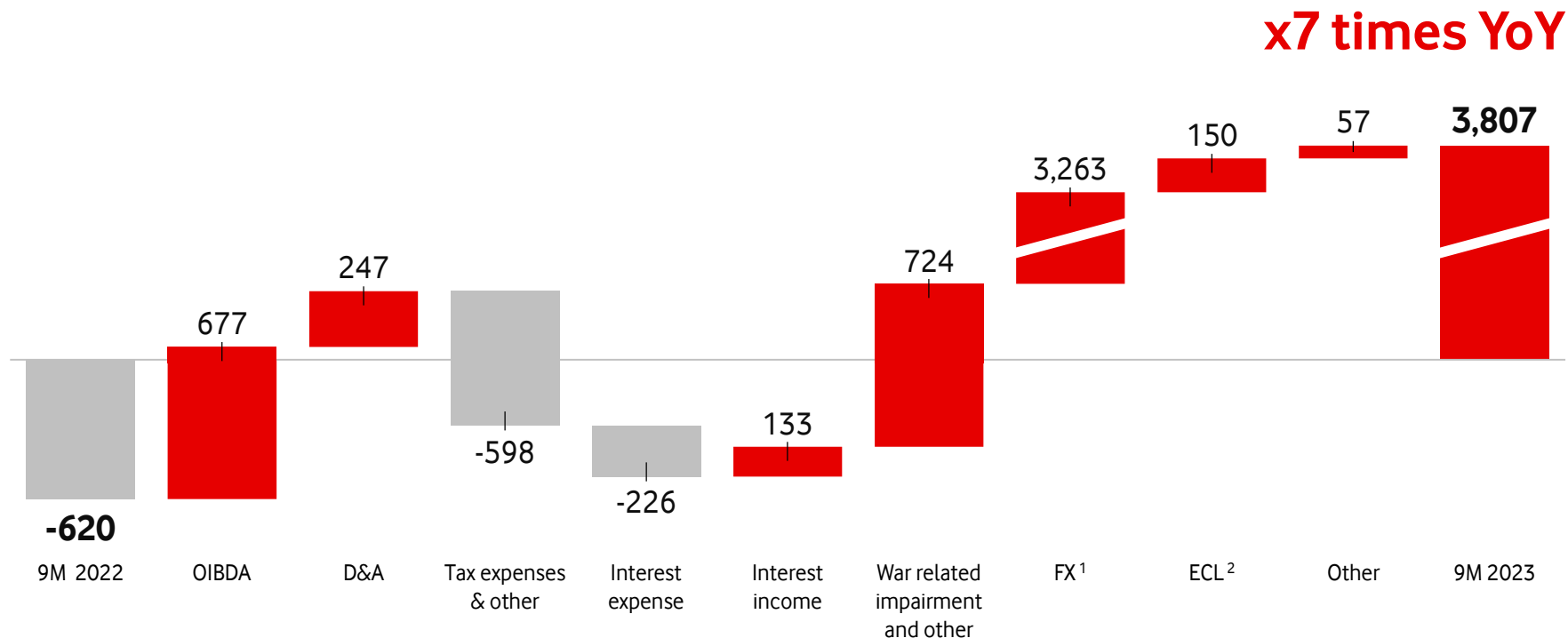
8% YoY



# Group performance

## Group net (loss)/profit: factor analysis

(UAH mln)



<sup>1</sup> FX Exchange rate UAH/USD

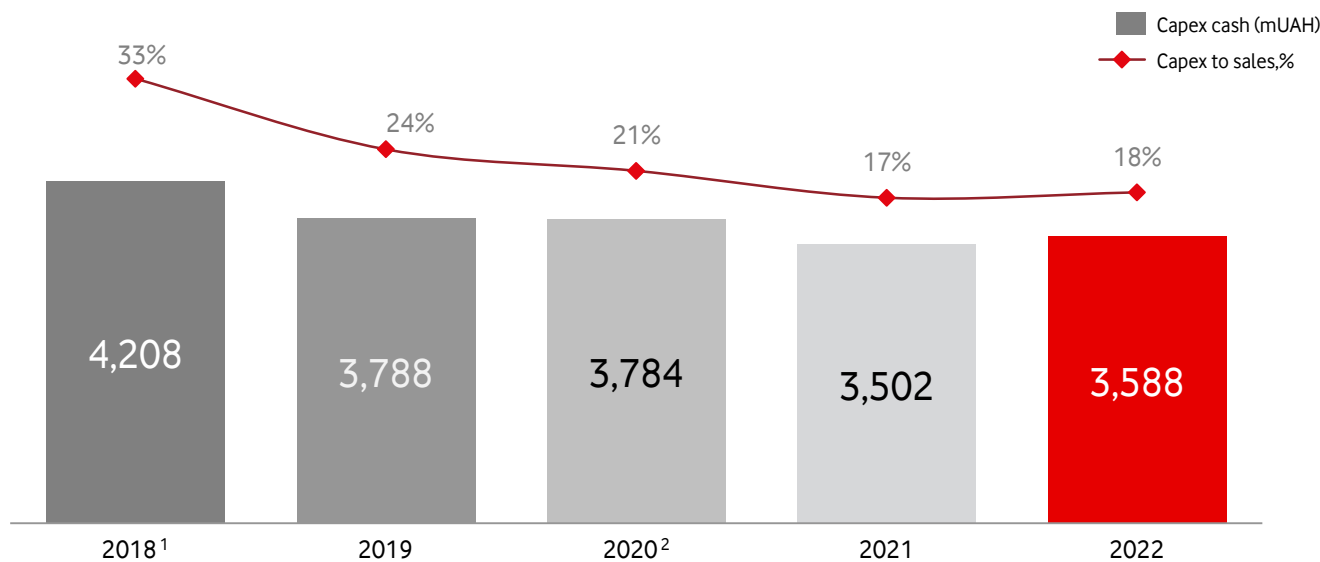
	bop	eop	↑↓
9M 2022	27.28	36.57	9.29
9M 2023	36.57	36.57	- 7

<sup>2</sup> ECL - allowance for expected credit losses on cash and cash equivalents balances



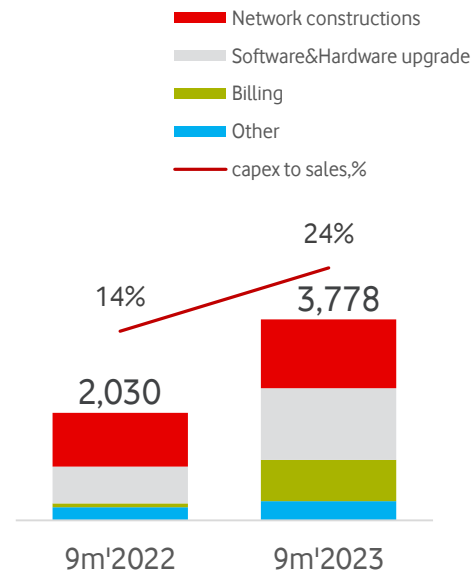
# Group CAPEX

## 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 February 5, 2020 the Group successfully issued debut Eurobonds: a 5-year tranche in the amount of USD 500 million with a coupon rate of 6.2%
- Maximum consolidated leverage ratio for the period ending before (and including) February 11, 2022 had to be 2,75 and 2,5 for any other period. On September 3, 2021 the Group entered into the covenant change agreement, allowing to pay out dividends and other restricted payments, ensuring that there is no Event of Default and the Consolidated leverage ratio is not 2x exceeded as a result of such payments
- As of September 30, 2023 the total face amount of Eurobonds pay off was USD 100,1 million
- In August 2023 the Group made interest payment under the terms of the Loan Agreement.
- In August 2023 the Group paid UAH 1,810 million as part of the dividends payment

## Credit ratings as of September 30, 2023

Fitch CCC

S&P CCC+

## As of September 30, 2023

	USD, mln	UAH, mln	Sensitivity to a possible change in USD exchange rates	
			+20%	+30%
Cash, cash equivalents and deposits <sup>1</sup> (incl. government bonds)	198	7,227	8,502	9,139
Total debt	520	19,002	22,190	23,783
Notes payable <sup>2</sup> (Eurobond issue, principal)	396	14,470	17,365	18,812
Notes payable (Eurobond issue, %)	3	123	148	160
Other debt (Lease obligations (under IFRS 16))	121	4,409	4,677	4,811
<b>Net Debt</b>	<b>322</b>	<b>11,775</b>	<b>13,688</b>	<b>14,644</b>
OIBDA <sup>3</sup>	327	11,955	11,867	11,823
<b>Net debt/OIBDA</b>	<b>1.0</b>	<b>1.0</b>	<b>1.2</b>	<b>1.2</b>

<sup>1</sup> Structure: UAH 12 %; USD 75 %; EUR 13 %

<sup>2</sup> Fair value (according to the Financial Statement under IFRS used by standard 9 "Financial instruments") was initially recognized as face amount less transaction costs that were directly attributable to the issue (~USD16mln)

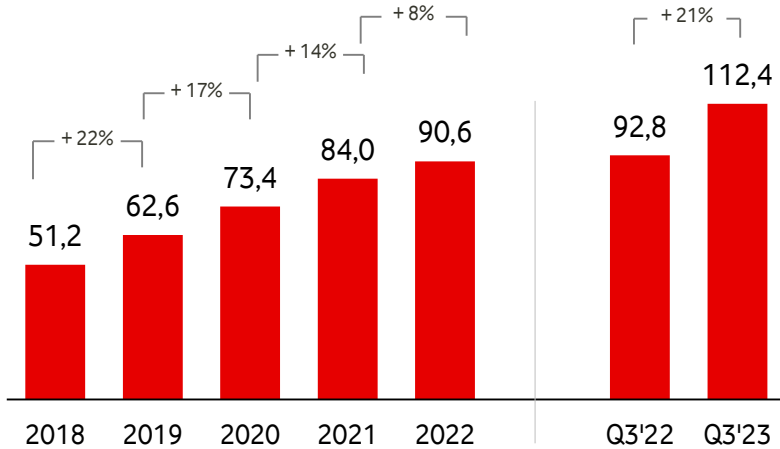
<sup>3</sup> OIBDA = EBITDA (average last twelve months NBU exchange rate for 9M2023 was 36,56 UAH/USD)



# Mobile business operational performance (ARPU & Customer base)

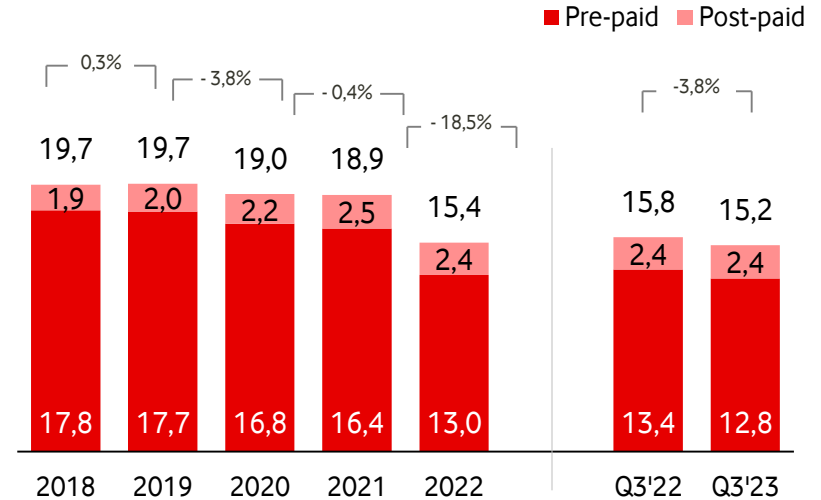
## ARPU evolution (UAH)

Q3'23 vs Q3'22 **↑ 21% / UAH 19,6**



## Customer base, EoP (mln)

Q3'23 vs Q3'22 **↓ -3,8% / (0,6) mln**



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



# The Freenet Deal completion



On August 23, PrJSC “VFU” has entered into the Share Purchase Agreement with LLC “KAPITAL INVEST LTD” under which it undertook to purchase the controlling participatory interest of the fixed-line telecommunications business, namely 90,60% in the charter capital of LLC “FREENET”. The required payment was made in Ukrainian Hryvna on the same date and the transaction was completed and registered in accordance with the applicable law.

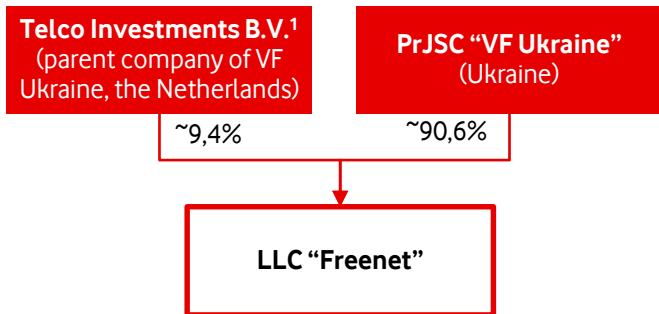
## About the company and Deal structure

- LLC “Freenet” was established in 1996 .
- Since 2008 the company has been operating under the **O<sub>3</sub>**
- LLC “Freenet” is a national broadband Internet access provider in Ukraine. The company has 18 regional offices and serves customers in more than 250 locations.

## Main activity

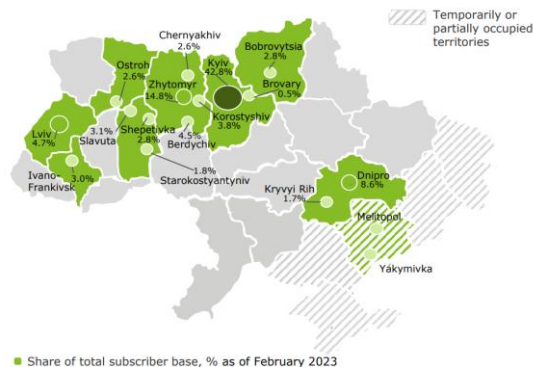
The company operates the network based on FTtX and GPON technologies using 10 and 40 gigabit fiber optic lines and modern equipment from leading manufacturers. This allows to provide an Internet access channel at up to 1 Gbit/s speed. The company’s customer base is about 163K of subscribers. Combined subs. base (Vega and Freenet) is more than 200 ths. (both technologies: GPON and FTtB(h)), market share is about 3% in Ukraine.

## Corporate M&A Structure (Equity deal)



<sup>1</sup> – Telco Investment B.V. is an owner of remaining shares of LLC “Freenet”

## LLC “Freenet” network coverage



**The purchase of LLC “FREENET” is part of the Vodafone Ukraine’s strategy aimed at development of convergent services and tariffs.**





Together we can