

# OTE Group Q1 2022 Results

MAY 2022



GROUP OF COMPANIES

# Disclaimer

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Before entering into any transaction, investors should determine any economic, trading and financial risks, restrictions and benefits, as well as any legal, tax, accounting consequences of doing so, and their ability to assume such risks, without reliance on the information contained in this presentation. You should consult a professional financial advisor before entering in any transactions in securities mentioned herein.

In addition to figures prepared in accordance with IFRS, OTE also presents alternative performance measures, including, among others, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, free cash flow, adjusted free cash flow, net debt, adjusted net debt, Capex and adjusted Capex. These alternative performance measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Alternative performance measures are not subject to IFRS or any other generally accepted accounting principles. The purpose and calculations of all 'Adjusted' data and the Alternative Performance Measures presented are detailed in the Alternative Performance Measures Section in the Quarterly Press Releases.

All figures in 2021 adjusted to reflect only continuing operations; TELEKOM ROMANIA operations along with certain significant commercial transactions (MVNO agreement and handset sales) that existed between TELEKOM ROMANIA and TELEKOM ROMANIA MOBILE (Romania mobile) until the completion of the sale of TELEKOM ROMANIA have been treated as discontinued operations. The sale was concluded on September 30, 2021.



<https://www.cosmote.gr/fixed/en/corporate/ir/financial-results/financial-statements-of-ote-group-and-ote-sa>



# Strategy: The 7 Pillars of our Strategic Plan



# Digital Transformation

Our goal: to be the leader for Digital Transformation in Greece and a role-model in Europe  
with superior Customer Experience & Operational Efficiency



## DIGITAL @CUSTOMER

### Digital Interplay

- One App primary touchpoint for all customer interactions
- Pure digital Mobile Rate plan
- Boost online sales
- Contextual digital campaigns

### Digitalize Service Processes

- Order2Bill: self-service ordering
- Fault2Repair: self-service fault handling

### Simplify Portfolio

- Simplify Product & Tariff portfolio
- Simplify customer journeys
- Converged & simplified IT stack



## DIGITAL @NETWORK

### Simplification

- Decommissioning of legacy platforms

### Autonomous Network Operation

- Predictive Maintenance
- Artificial Intelligence @ Network

### Digitalize Field Service

- Autonomous Field Service
- Field technicians digitalization



## DIGITAL @COMPANY

### Internal Interactions

- Enterprise Mobile App for employees
- Tools for collaboration

### Digital Processes











- Processes simplification & automation
- Digitalized & unified workflows
- Digital Signatures

### Digital Culture & Skills

- Growth mindset
- Digital Skills & Learning
- Innovation culture



# 2021 Environmental Targets

		STATUS	2021 PERFORMANCE
<div>  </div>	<b>CLIMATE CHANGE</b> <b>OTE Group contributes to updated DT Group Climate Change Targets:</b> <ul style="list-style-type: none"> <li>• Net Zero for direct and indirect energy consumption including up to 95% reduction by 2025 vs 2017 (Scope 1 &amp; 2)</li> <li>• 100% Renewable electricity (2021 onwards)</li> <li>• 25% Emission reduction per customer for value chains emissions (2017-2030)</li> <li>• Net Zero emissions across the value chain by 2040 (Scope 1-3)</li> </ul>	 2021 target Achieved	<ul style="list-style-type: none"> <li>• Scope 1 &amp; 2: 85% CO<sub>2</sub> reduction (vs 2017)</li> <li>• Electricity: 435 GWh from renewable sources</li> <li>• 36% CO<sub>2</sub> reduction per customer for value chains emissions (vs 2017)</li> </ul>
	<div>  </div>		
	<b>RESOURCE EFFICIENCY</b> <b>Waste Management</b> <ul style="list-style-type: none"> <li>• &gt;75% reuse/recycle of total waste generated (2021)</li> <li>• Zero ICT waste to landfill (2021)</li> </ul>	 Achieved	<ul style="list-style-type: none"> <li>• &gt; 87% reuse/recycle of total waste</li> <li>• &gt; 2,200 t ICT waste sustainably managed</li> </ul>
	<div>  </div>		
	<b>Zeroplastic*</b> <div> <div> <b>Retain:</b> <ul style="list-style-type: none"> <li>• 0% use of plastic bottles</li> <li>• 0% use of plastic cups</li> <li>• 0% use of straws</li> </ul> </div> <div> <b>Reduce to:</b> <ul style="list-style-type: none"> <li>• 0% plastic food containers &amp; single use cutleries</li> </ul> </div> </div>	 Achieved	<ul style="list-style-type: none"> <li>• &gt; 800,000 pcs of single-use plastic avoided</li> </ul>
	<div>  </div>		
	<b>Shops</b> <ul style="list-style-type: none"> <li>• FSC paper bags in Retail network (2021)</li> </ul>	 Achieved	<ul style="list-style-type: none"> <li>• &gt;1.35 mil pcs of plastic bags through the retail network were avoided</li> </ul>
	<div>  </div>		
	<b>Paper</b> <ul style="list-style-type: none"> <li>• Commit to a new 4 year paper reduction target</li> </ul>	 Completed	<ul style="list-style-type: none"> <li>• New target set: 25% paper reduction (2020-2023)</li> </ul>

Targets refer to OTE Group Greece

\*Applicable to 8 buildings

# 2022 ESG Targets



## CLIMATE CHANGE

OTE Group contributes to DT Climate Change Targets:

- Net Zero for direct and indirect energy consumption including up to 95% reduction by 2025
- 100% Renewable electricity (2021 onwards)
- 25% Emission reduction per customer for value chains emissions (2017-2030)
- Net Zero emissions across the value chain by 2040



## RESOURCE EFFICIENCY

### Sustainable Waste Management

- **Zero** ICT waste to landfill (2022 onwards)
- **Take back schemes of mobile devices\***:
  - Ratio (%) of mobile devices collected vs sold in previous year: 12% by 2024 (vs 2022)
  - Reach approx. 400,000 items of mobile devices (2022-2024)



### Sustainable Packaging

- **100% sustainable packaging**
- Own branded newly launched CPEs (by mid 2022)



### Zero plastic

- **Retain single use plastic culture** in major buildings in 2022



### Paper Reduction

- **25% paper reduction** (2020-2023)



## DIGITAL INCLUSION

- **Impact ~15 mil. peoples' lives** through digital inclusion initiatives by 2024 (from 2021)

Targets refer to OTE Group Greece  
Additional ESG Targets for 2022 will be presented in the 2021 OTE Group Integrated Report (June 2022)

\*Smartphones, Simple Phones, Fixed Phones (wired and cordless), Notebooks/Laptops, Tablets, Chargers/Powerbanks & Accessories

# Sustainability & ESG Indices, Rankings and Ratings

The OTE Group responds to sustainability & ESG analysts' questions and assessments. OTE is included in several national and international sustainability/ESG indices, rankings and ratings.



## FTSE4Good

OTE, since 2008, fulfills all requirements and is a member of the FTSE4Good Index Series. OTE is one of the seven companies in Greece, included in the FTSE4Good Emerging Index, as of June 2021.



VIGEO.EIRIS, AN AFFILIATE OF MOODY'S

OTE, as of July 2021, is included in the Vigeo-Eiris Best Emerging Market Performers Ranking (the 100 most advanced companies in its Emerging Markets universe) part of Moody's ESG Solutions, for the third consecutive year.



In 2021, OTE kept its status as a "Prime" company, a title awarded to companies-leaders of each sector by ISS ESG, in recognition of OTE's negotiable bonds and shares qualify for responsible investment.



In 2021, following MSCI ESG Research's assessment, OTE maintained "BBB" ESG rating.

## ATHEX ESG Index

OTE is included in the new ATHEX ESG Index, since July 2021. The company is amongst 35 listed companies.



Since 2010, OTE has been participating in the CDP on Climate Change by communicating the required information to its platform. In the 2021 evaluation, OTE improved its rating which led to inclusion in the CDP's "Leadership A/A-" category. This score placed OTE well above the European average and that of the media, telecommunications and data center services sector in which it operates.



As of January 2022, OTE has been included, for the third consecutive year, in the Bloomberg LP Gender-Equality Index (GEI), which is one of the most profound business indexes, in terms of equality and initiatives promoting the position of women in the work environment.



OTE Group  
Q1 2022 Results

# Financial Review





# Highlights

## GROUP

key operational and financial metrics up

+4.7%

REVENUES

+8.0%

ADJ. EBITDA (AL)

Favorable comparisons and one-offs in Romania  
Strong Margin at 39.4%, up 1.2pp

€500m

SHAREHOLDERS REMUNERATION  
FOR 2022

•€250m

Dividends. Proposed  
Dividend€0.558/share

•€250m

Share Buy Backs

## GREECE

Positive momentum continues



+4.4%

REVENUES



+2.8%

increase in Fixed  
retail; ongoing  
broadband and TV  
growth



+4.5%

strong increase in  
mobile service  
revenues



FTTH rollout  
accelerates



+5.1%

ADJ. EBITDA (AL)

yielding a margin  
of 41.9%

## ROMANIA MOBILE

€78.4m

REVENUES

+1.6%

Boosted by one –off  
MTR sharp drop

€11.7m

ADJ. EBITDA (AL)

underlying profitability  
more than doubled

# Group Overview

Q1 2022

**€825m**

REVENUES (YOY +4.7%)

**€228m**

ADJ. FCF (YOY +39.9%)

**€325m**

ADJ. EBITDA (AL) (YOY +8.0%)

**€7.3b**

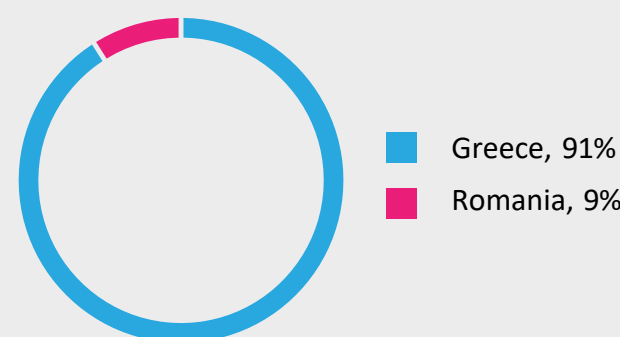
MARKET CAP  
AS OF 31 MARCH 2022

**€93m**

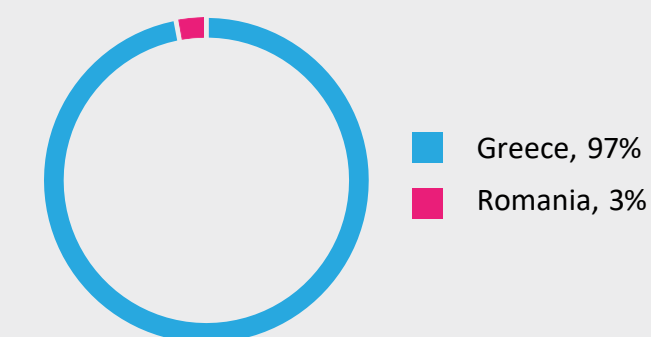
ADJ. CAPEX (YOY -6.9%)

OTE Group is the largest telecommunications provider in the Greek market with presence also in Romania. OTE is among the largest listed companies in the Athens Stock Exchange.

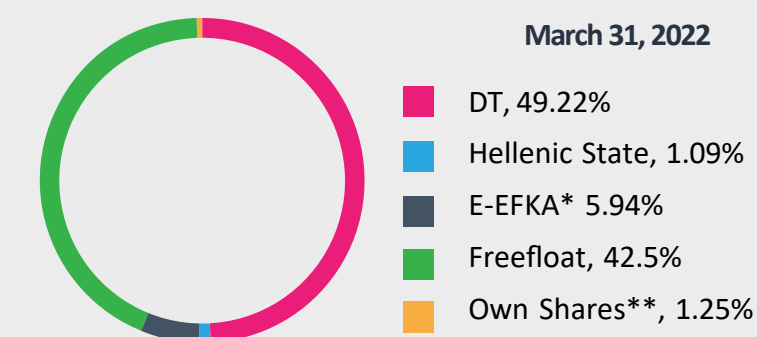
REVENUES



ADJ. EBITDA (AL)



SHAREHOLDERS\*



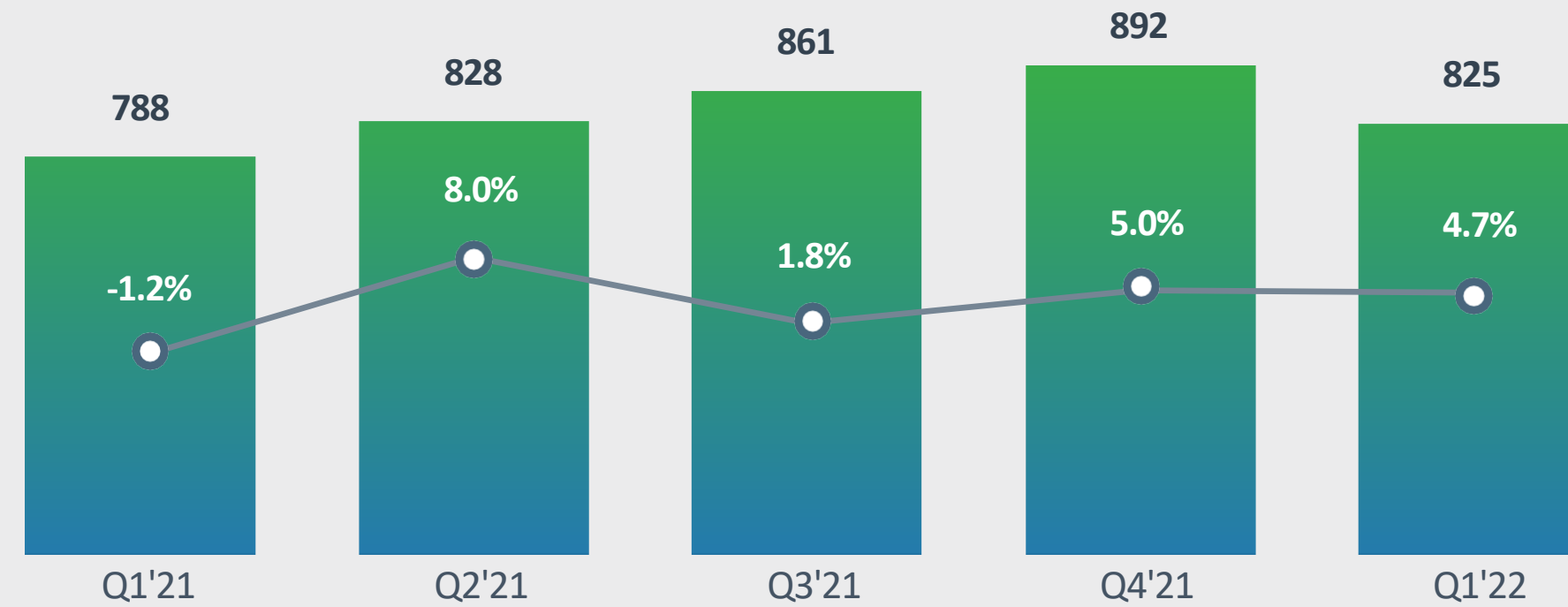
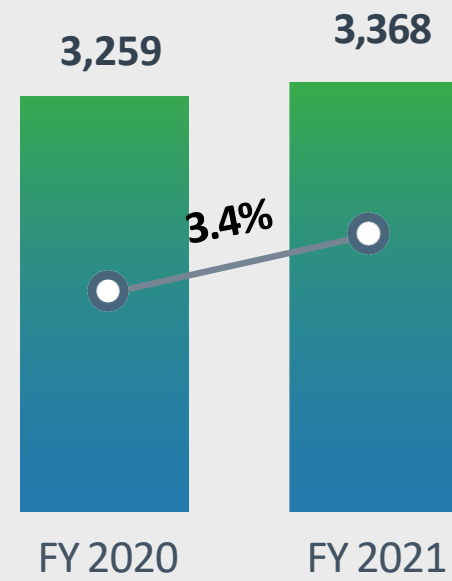
\*The stake of e-E.F.K.A includes 19,606,015 shares transferred by Hellenic Republic in 2009

\*\*These own shares will be cancelled after the AGM of 25th of May



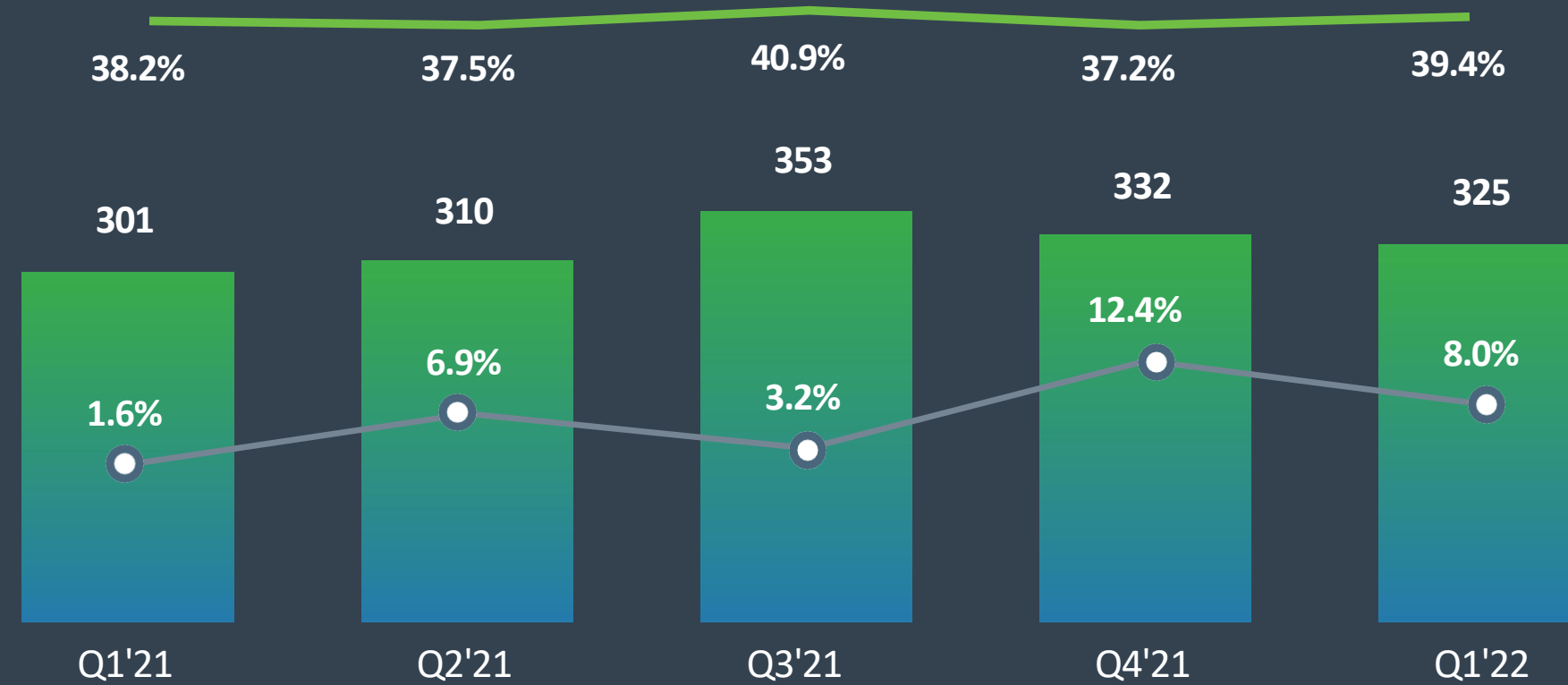
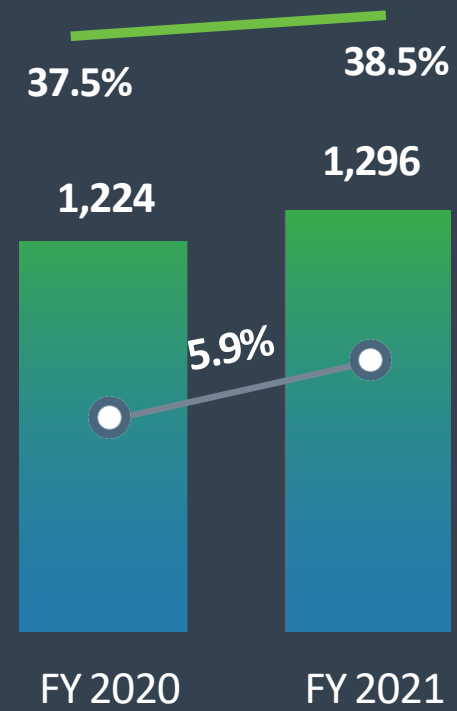
# Revenues & Adj. EBITDA (AL)

## Total Revenues (€m)



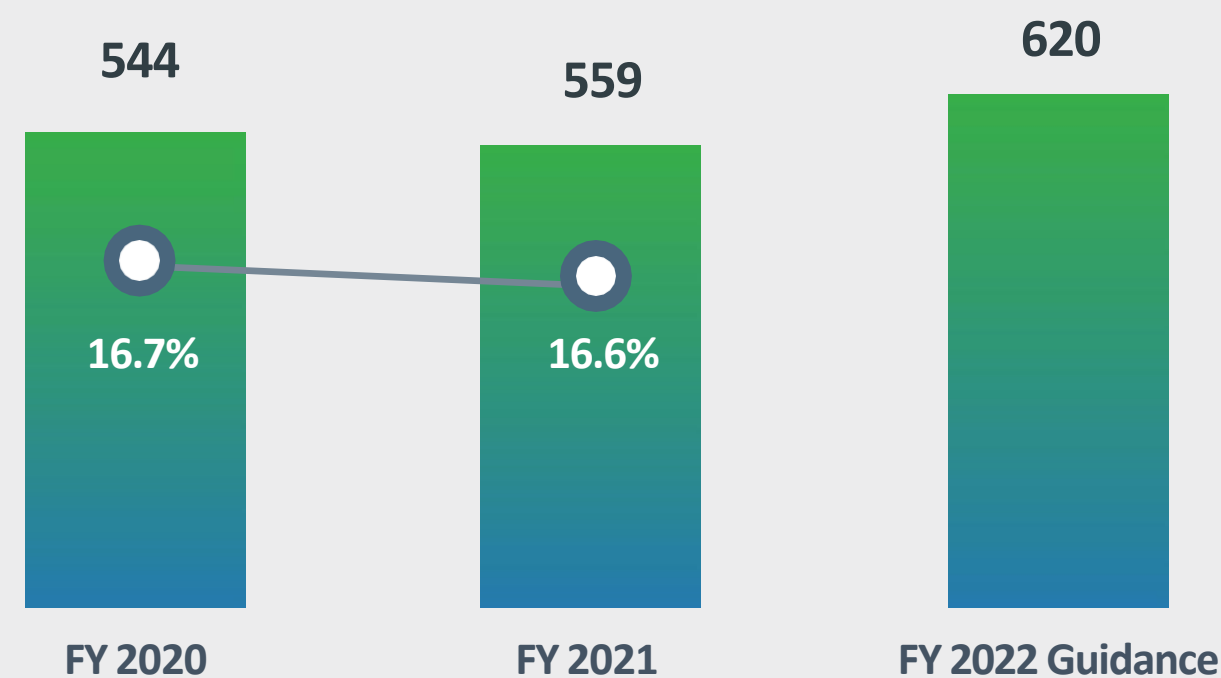
— yoy change %

## Adj. EBITDA (AL) (€m)

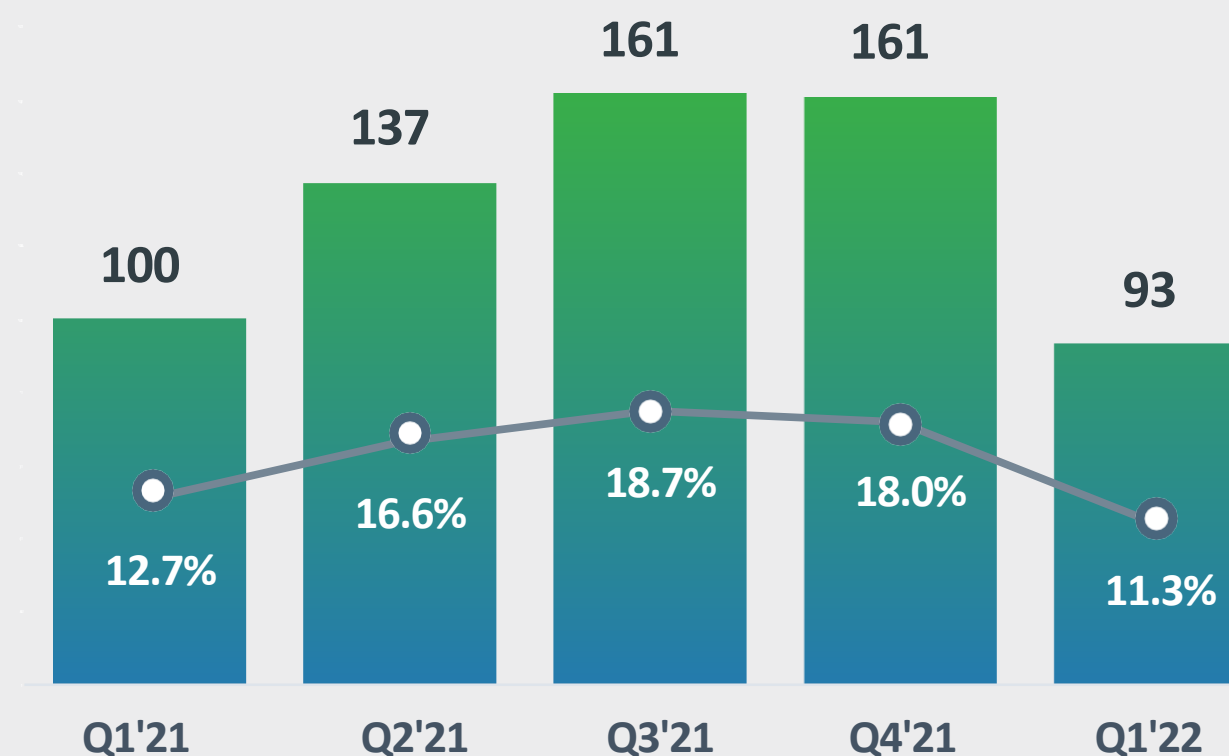


# Capex

## Adjusted Capex (€m)

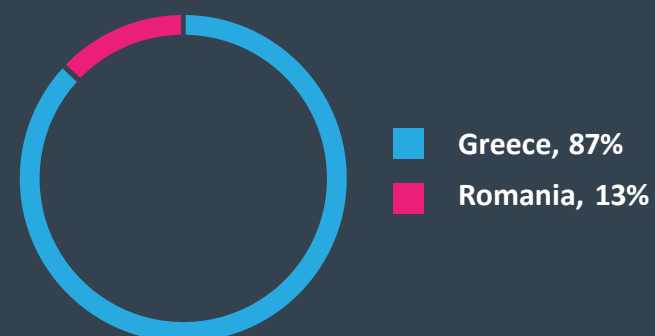


— As % of sales



— As % of sales

## Per Country (€m)



Q1 2022

**€81m**  
GREECE

**€12m**  
ROMANIA

- **FTTH** footprint in the first quarter 2022 at 634k households and businesses
- **FTTH**: 3million homes and businesses by end of 2027
- **4G** coverage at 99%
- **5G** population coverage at 60% by the end of 2021
- **5G** population coverage target: 80% by the end of 2022

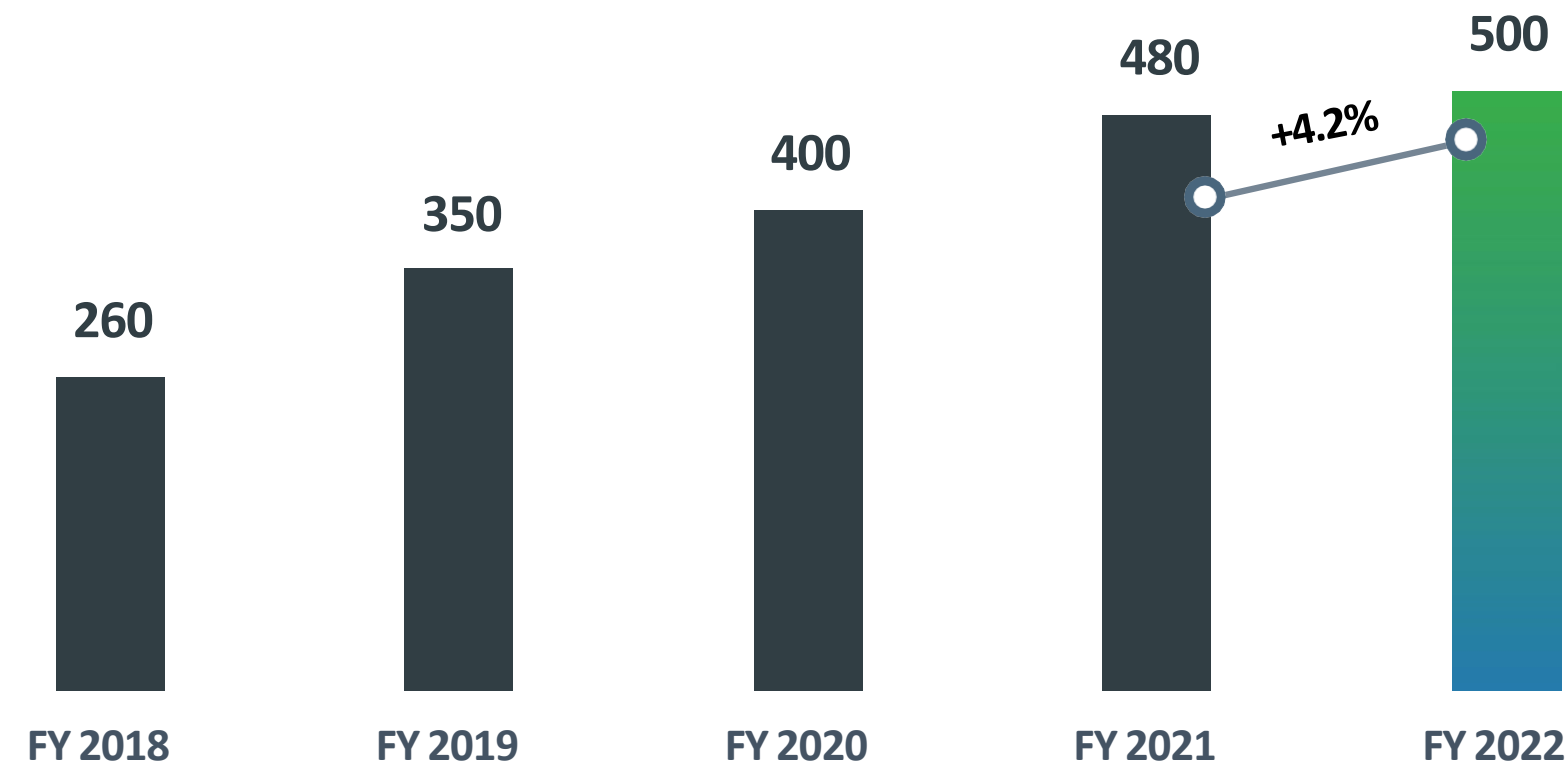


# Cashflow



# Shareholder Remuneration Policy

## Total Payout (Guidance) (€m)



Total Shareholders Payout for 2022:

**€500m**

DIVIDEND

**€250m**

SBB

**€250m**

## Shareholder Remuneration Policy

**70%-100%**

FCF Distribution through a combination of dividends and share buybacks

**€500m**

€250m Dividends; €0.558 Dividend/share paid on July 07, 2022

€250m in Share Buybacks

**448,100,608**

Total number of shares

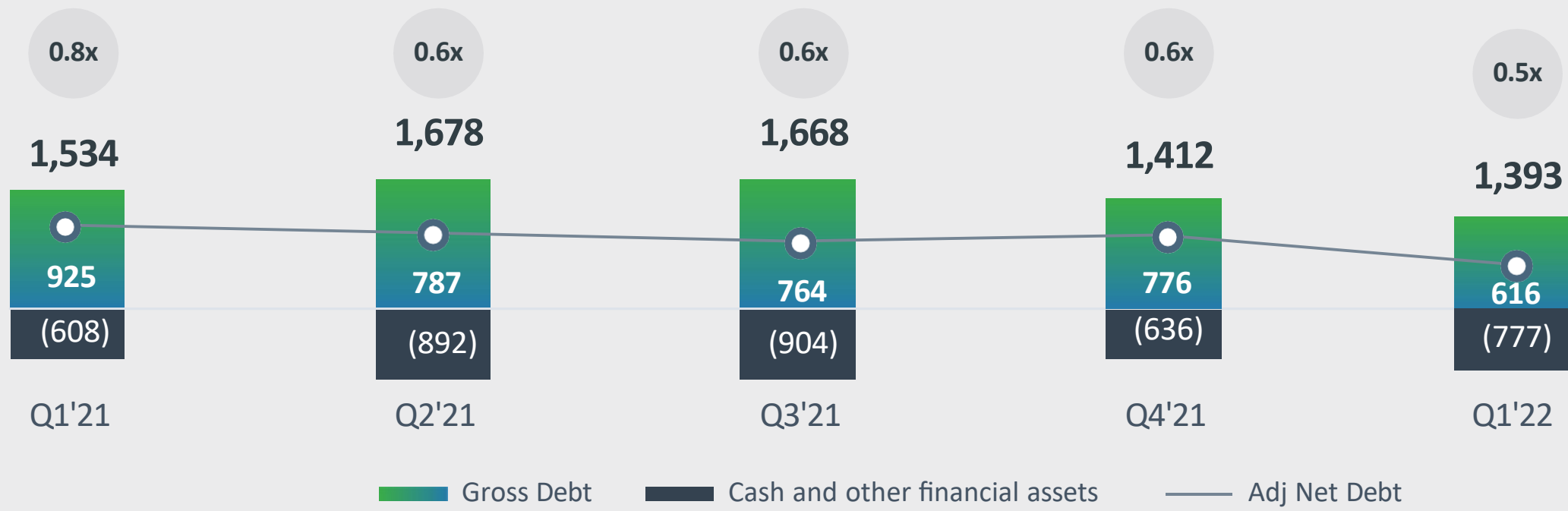
**5,617,282**

Own Shares will be cancelled following the Annual General Shareholders Meeting approval on 25 May



# Debt and Liquidity Profile

Leverage (€m) (IFRS amounts)

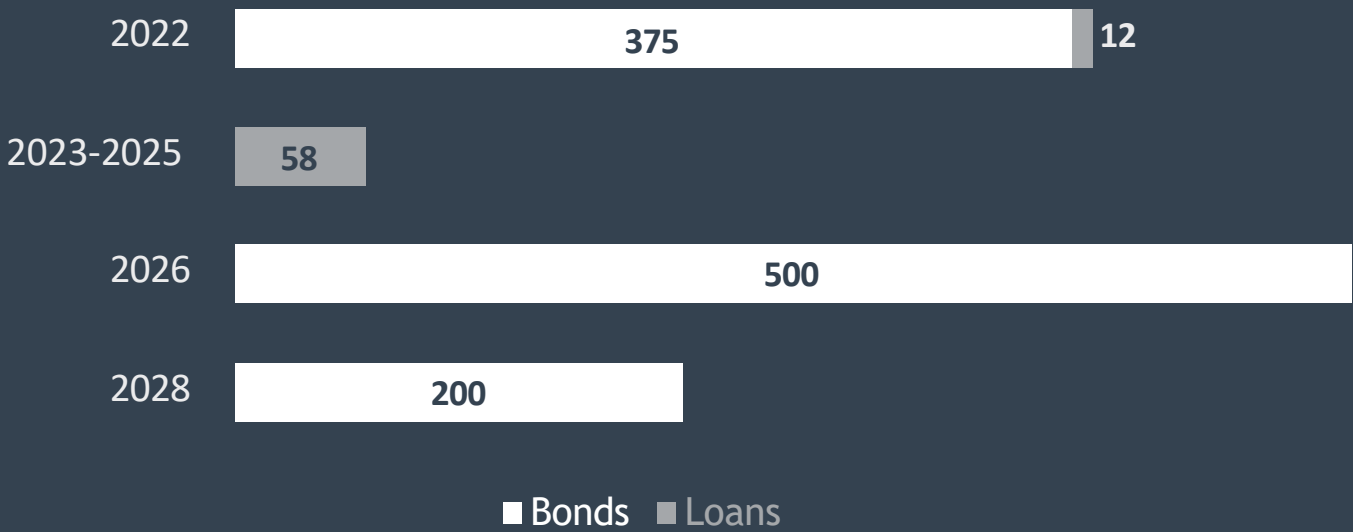


## Adjusted Net Debt/EBITDA

Adj. Net Debt stood at **€616m**

Adj. Net Debt/EBITDA (AL) stood at **0.5x**

Debt Maturity Profile (€m) (Nominal amounts)



## S&P Credit rating on OTE : “BBB” with stable outlook

### Bonds

**€375m**

2022 Bond (Jul)  
2.375%

**€500m**

2026 Bond (Sep)  
0.875%

**€200m**

2028 Bond (May)  
0.627%

### Loans

**€70m**

EIB  
COSMOTE



OTE Group  
Q1 2022 Results

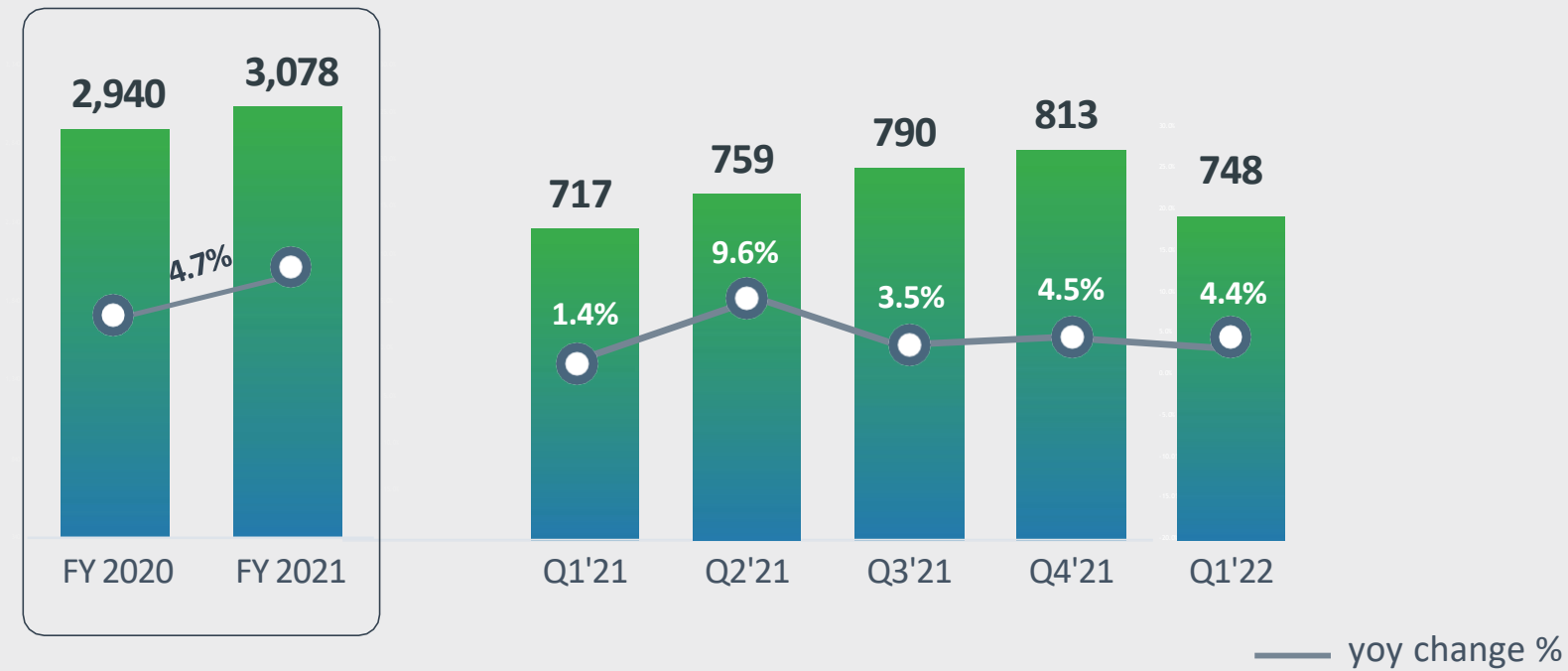
# Greece



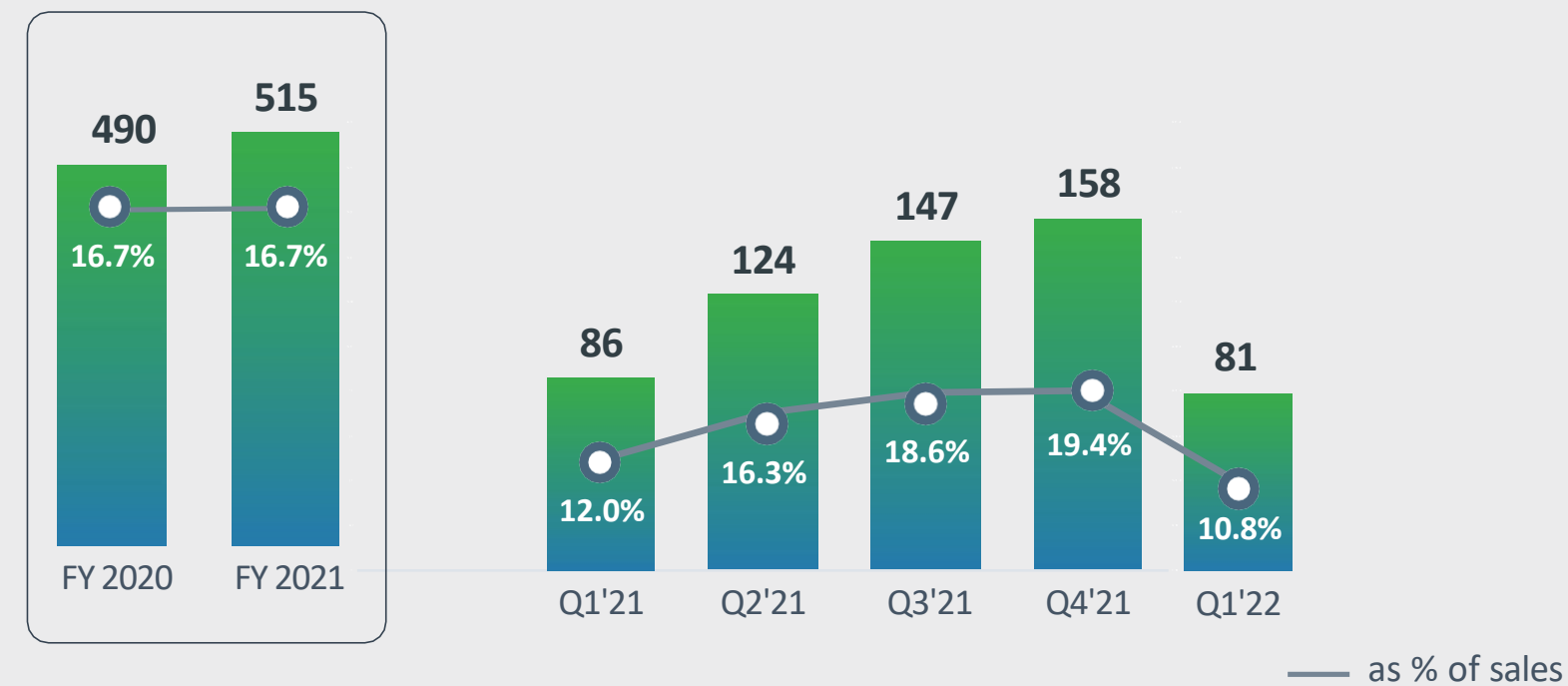


# Greece – Financial Overview

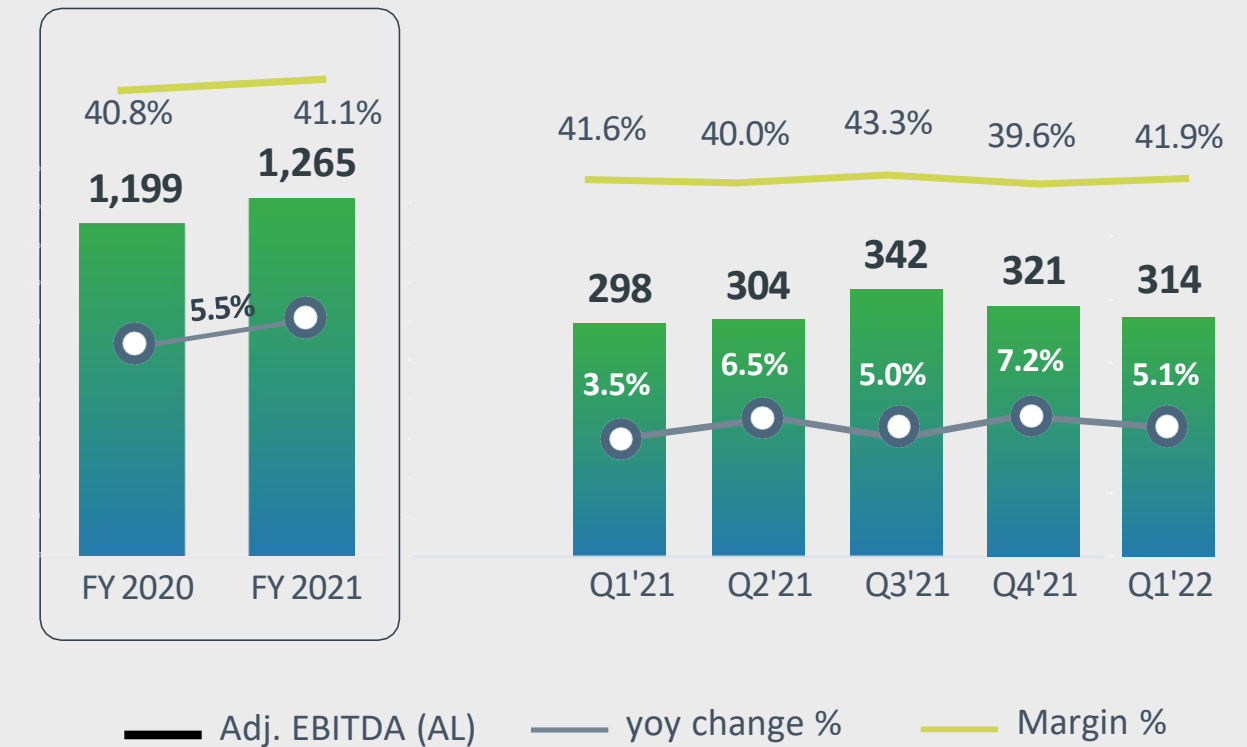
## Total Revenues (€m)



## Adjusted Capex (€m)



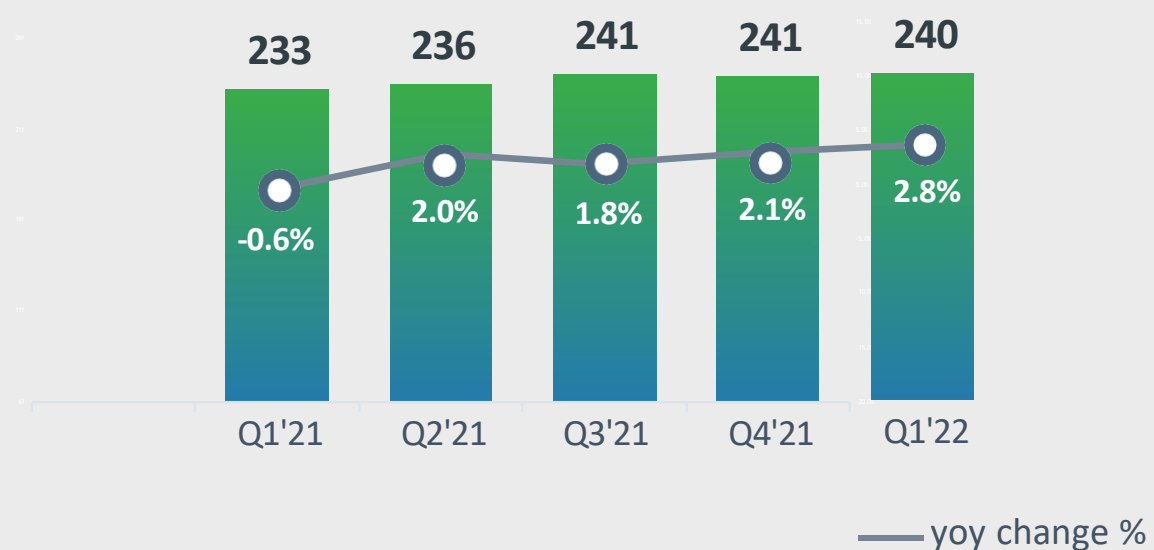
## Adj. EBITDA (AL) (€m)



- Positive momentum in Greece continues
- Revenue up 4.4% on growth across key segments and a positive base effect due to the pandemic
- Adj. EBITDA (AL) up 5.1%; margin at 41.9%

# Greece – Financial Overview

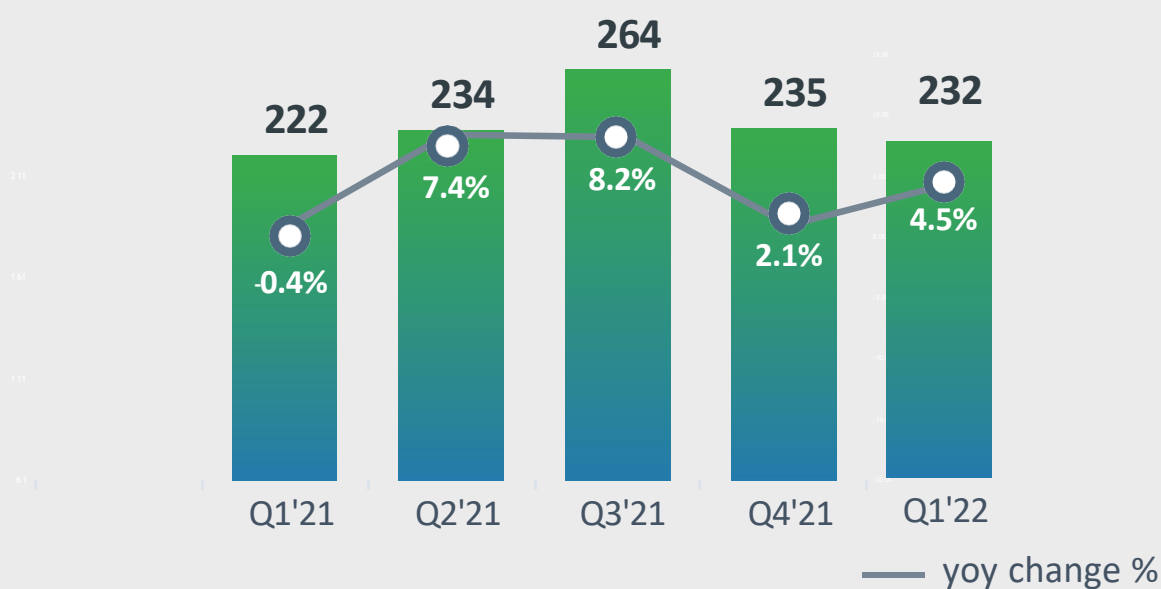
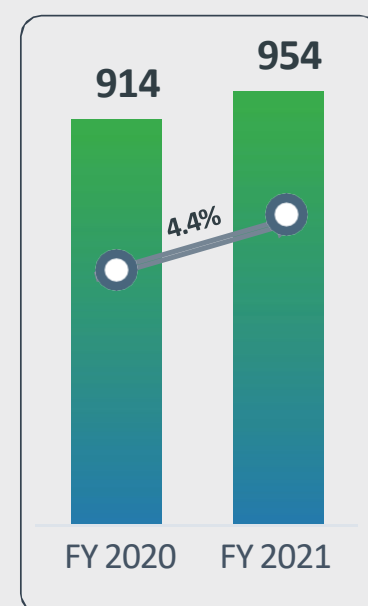
## Retail Fixed Revenues (€m)



### Retail fixed service revenues up 2.8%:

- Continuing growth in broadband revenues
- Strong performance in TV, ongoing investment in superior sports content

## Mobile Service Revenues (€m)

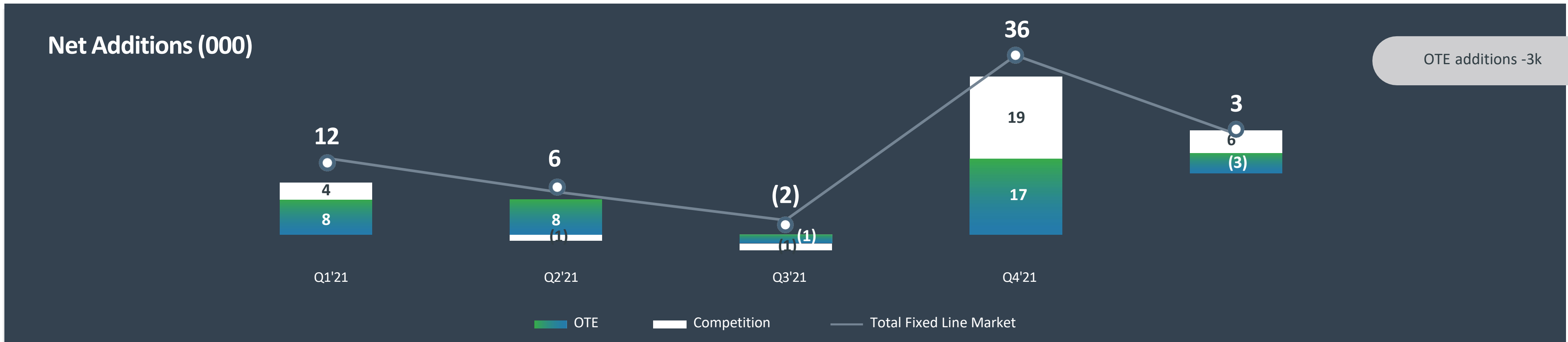
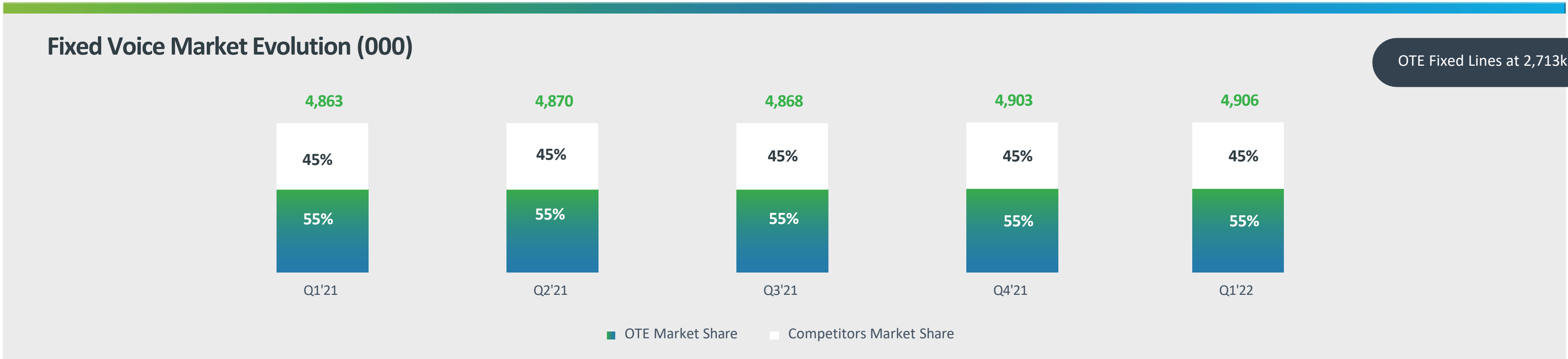


### Mobile Service revenues up 4.5%:

- Positive growth for both Postpaid and Prepaid segment
- Ongoing execution of more for more strategy



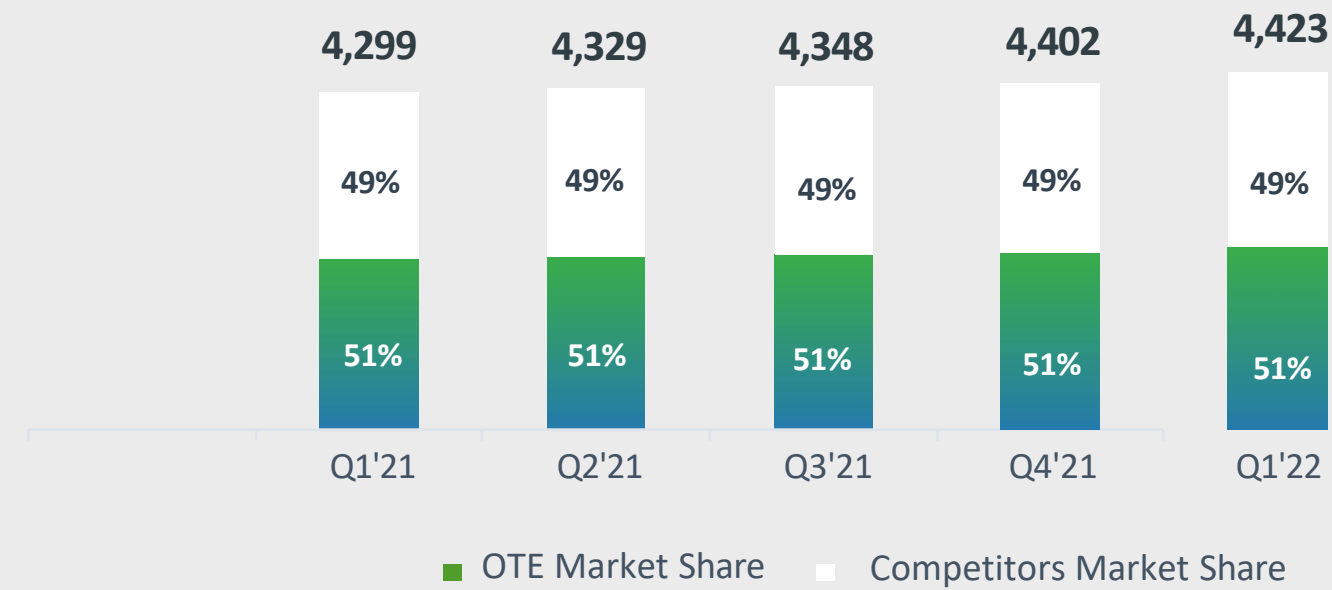
# Greece – Fixed KPIs



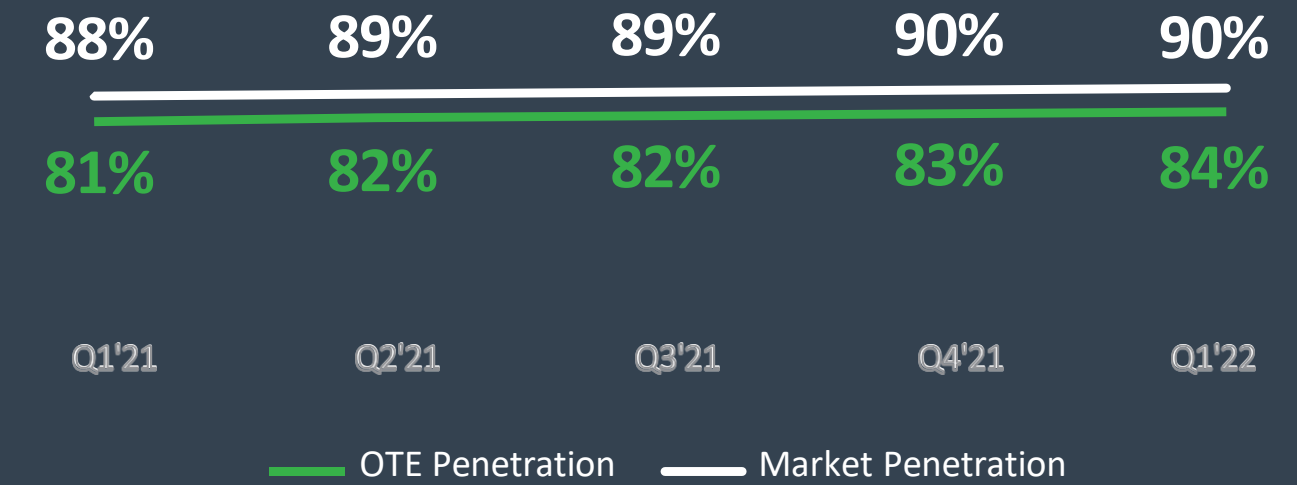
# Greece – Broadband KPIs

## Broadband Market Evolution (000)

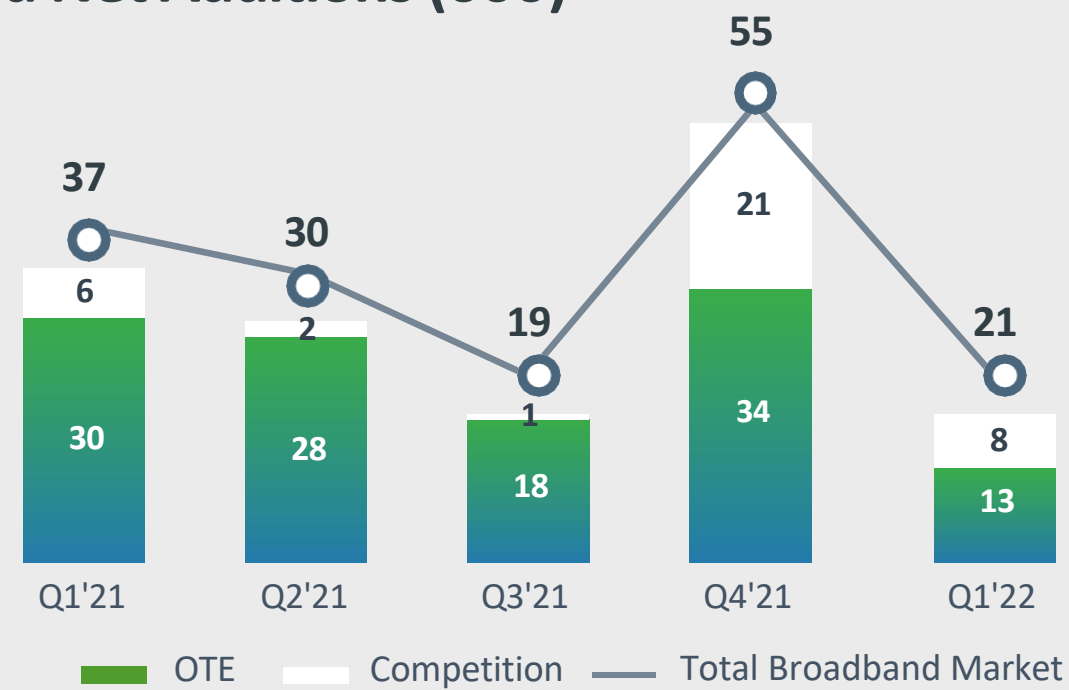
OTE Broadband Lines at 2,269k



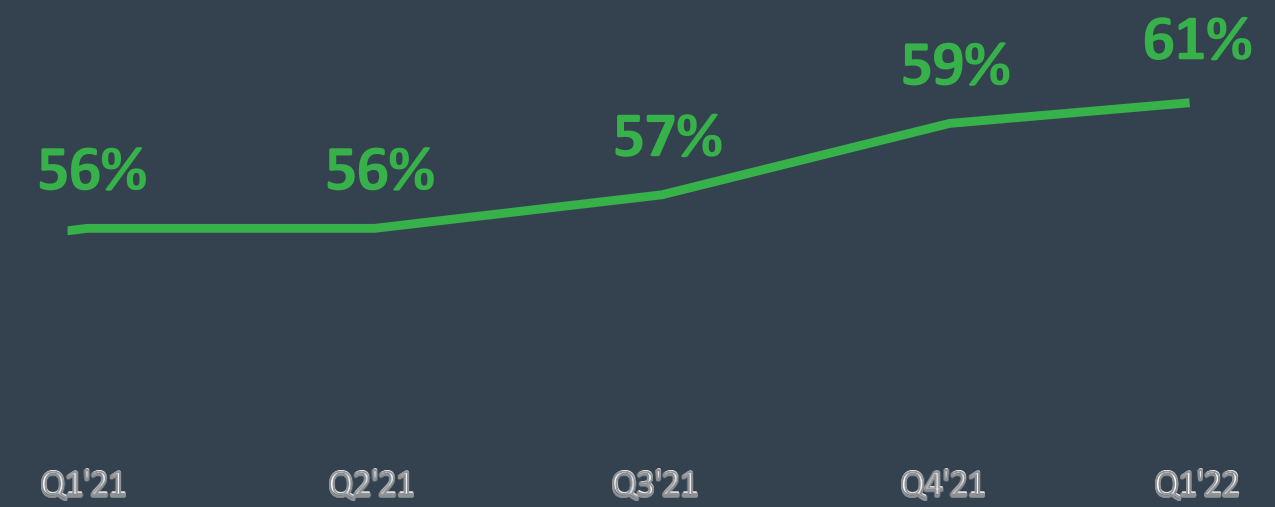
## Market Penetration



## Broadband Net Additions (000)



## FMC B2C\* Penetration (000)

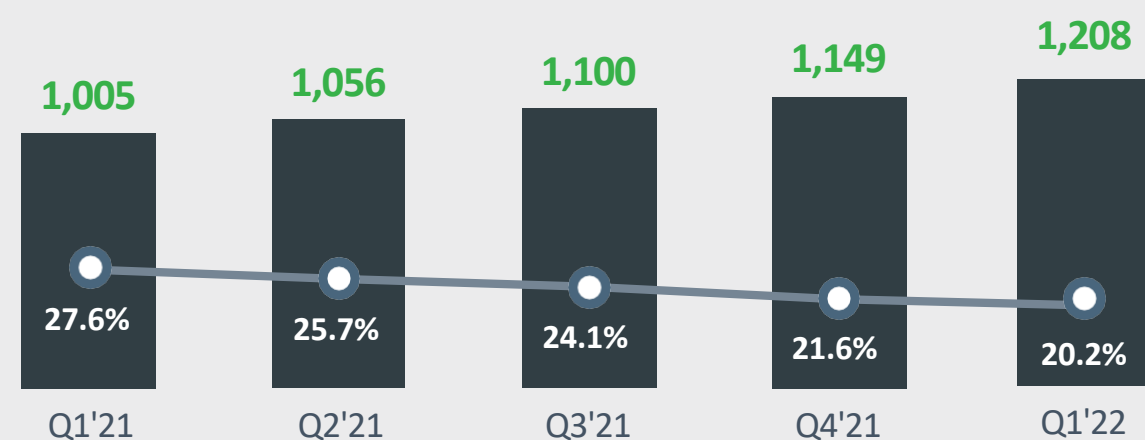


\*B2C Broadband lines

# Greece – Fiber KPIs

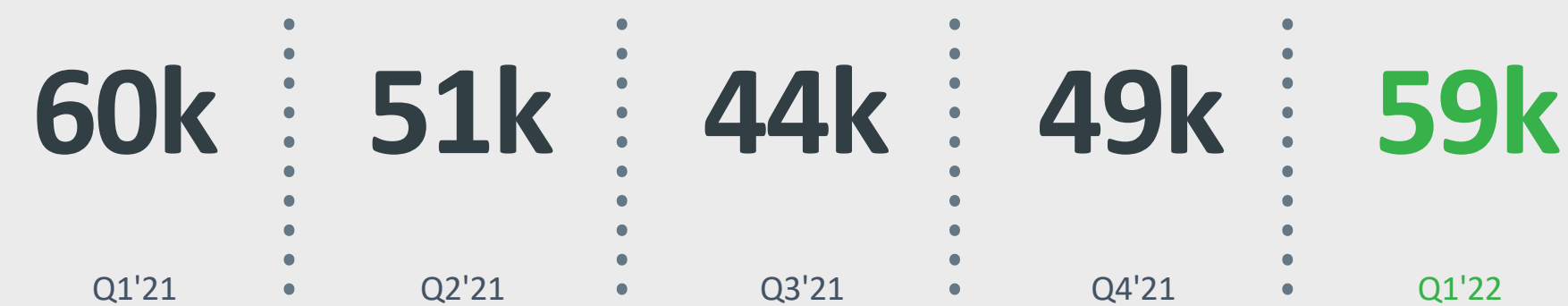
## Fiber Subscribers (000)

28% of fiber subs enjoy speeds of 100Mbps or more

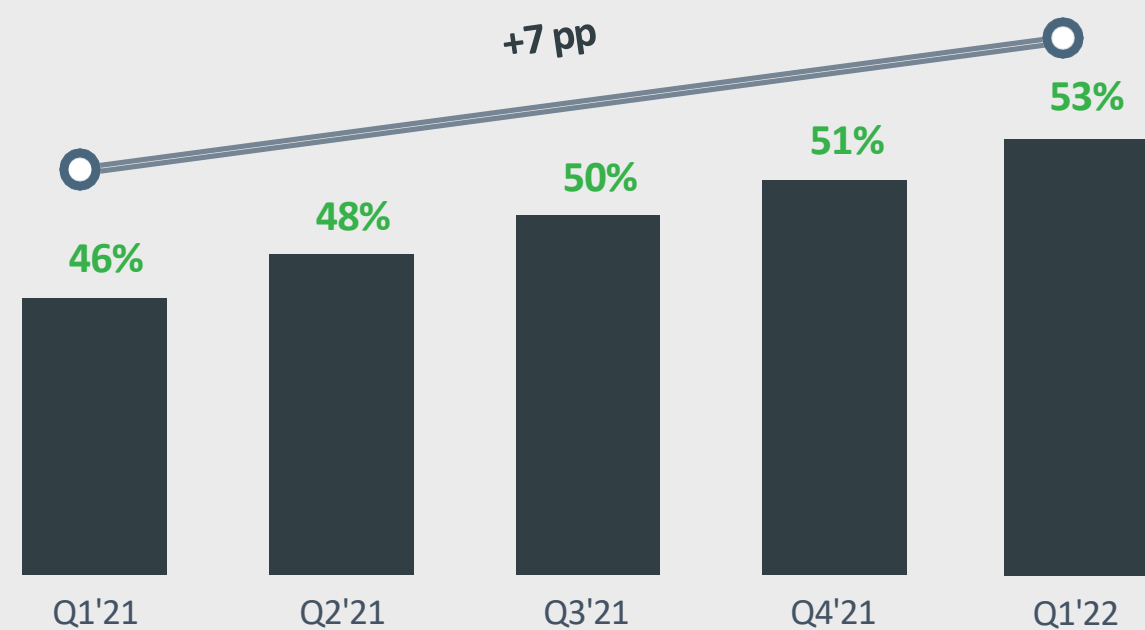


— yoy change %

## Fiber Subscribers additions

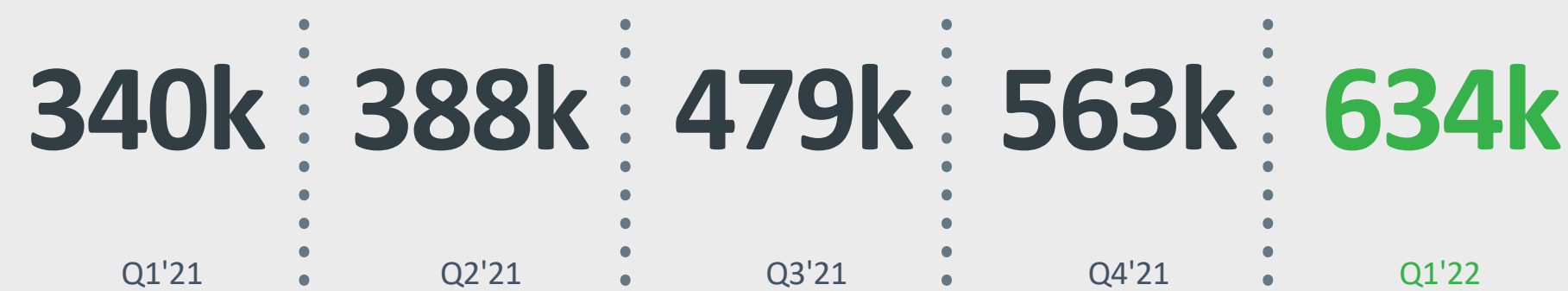


## Fiber Penetration (on Broadband)



+7 pp

## FTTH Homes Passed

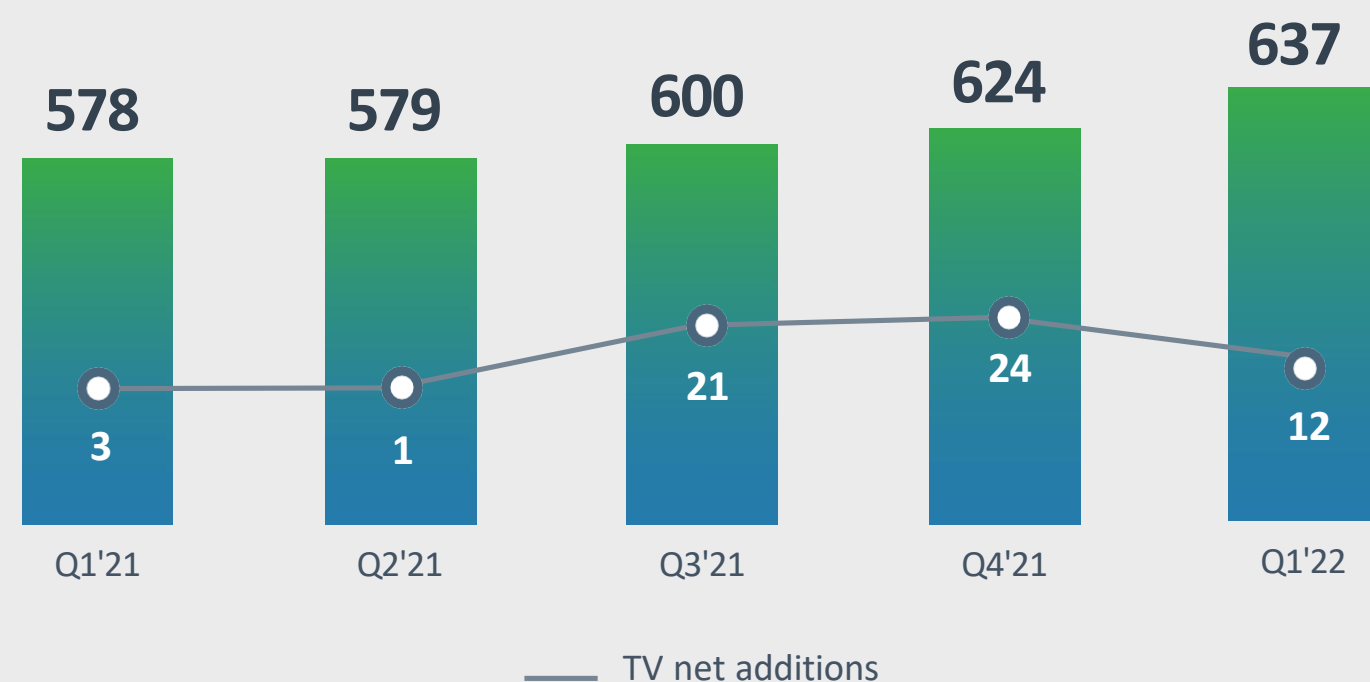


OTE Retail FTTH subscriber base increased by 14k in the quarter, reaching 75k



# Greece – COSMOTE TV

## TV Subscribers (000)



- +10.2% yoy increase in Customer base; Additions +12k
- UEFA Champions League and Europa League TV rights renewed for 2021-2024
- Broadcasting agreements with eight out of fourteen Greek Superleague football teams
- Italian Lega Serie A rights up to 2023-2024 period

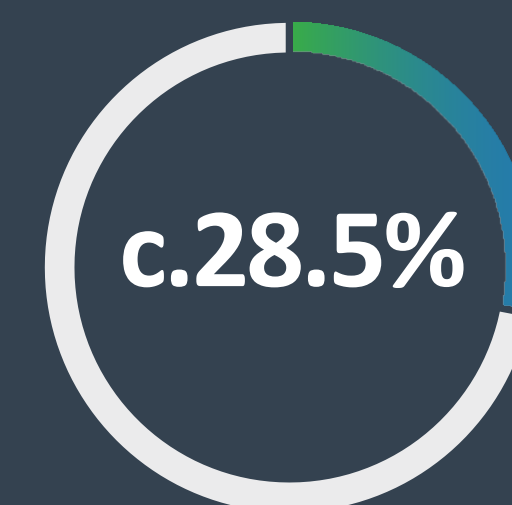
## TV Market

Exclusive premium content through PayTV offerings

Despite low penetration levels – TV market segment shows signs of maturity

OTT players gain traction

Pay TV Penetration Q1'22



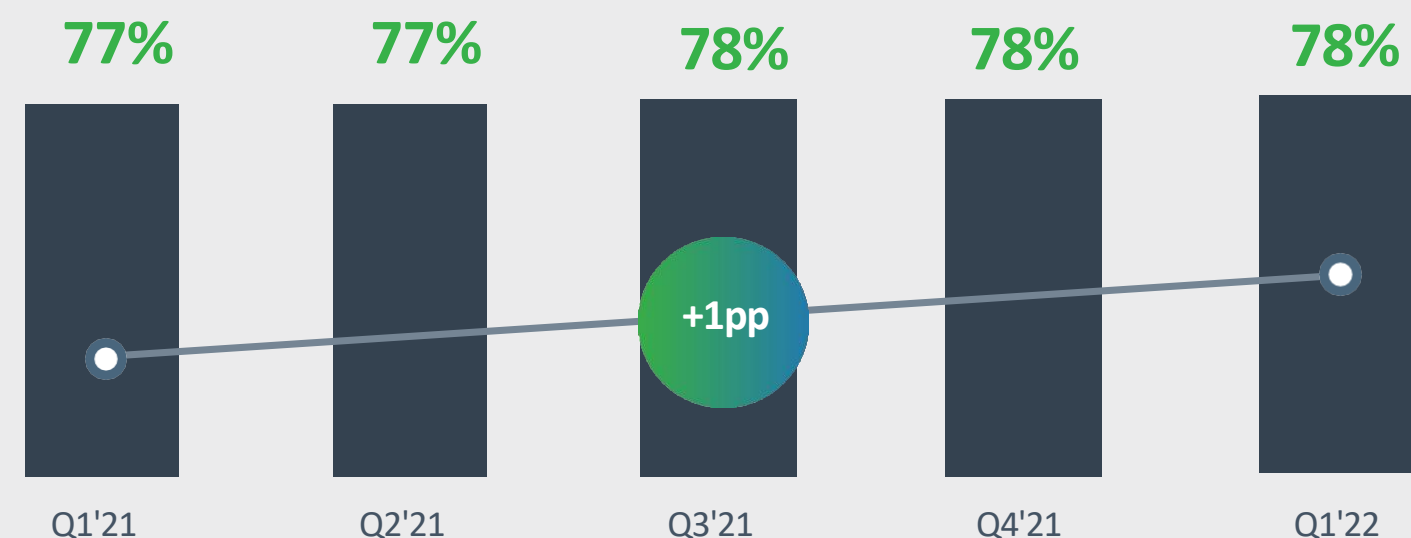
# Greece – Mobile KPIs



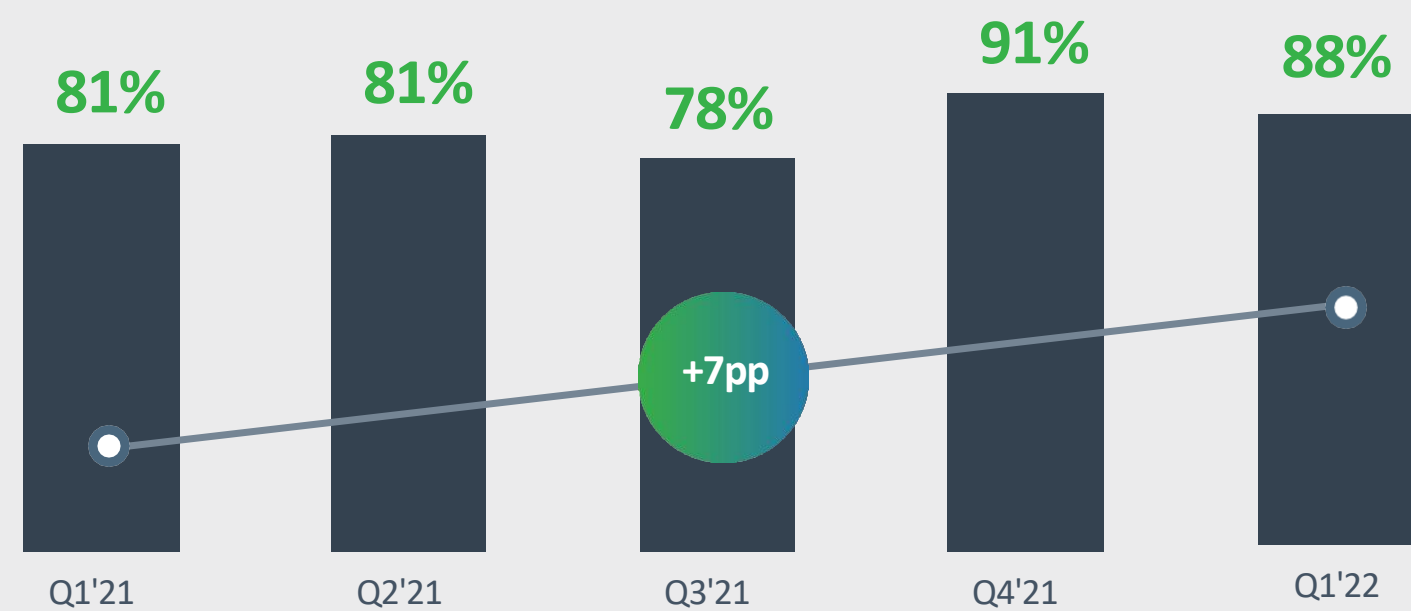
\*Handsets Internet Data Usage/GB of use per HI subscriber

# Greece – Digitalization

Smartphone penetration (%)



COSMOTE Apps Active users penetration\* (%)



COSMOTE app users at 3.7 million by end of the quarter. It has become the major digital contact point with the customer. It includes features like:

Mobile data bundle subscription renewal, bill payment, and ordering functionality for additional OTE services

Remote Wi-Fi router management, parental control features and management of short-digit premium value-added services

“COSMOTE Neo”, the first fully digital mobile

**The push towards digitalization is driving a new wave of transformation and increasing operational efficiencies**

\*Penetration as % of Smartphone users



# Mobile Network Superiority in Greece

**OOKLA:**

COSMOTE Fastest Mobile Network for 5th consecutive year



**P3 Best in Test** certification, for 7th consecutive time, for its mobile internet and voice services in Greece



## AVERAGE DOWNLOAD SPEED (MBPS)

COSMOTE	<div></div> 60.68
OPERATOR 2	<div></div> 30.33
OPERATOR 3	<div></div> 28.30

## AVERAGE UPLOAD SPEED (MBPS)

COSMOTE	<div></div> 13.34
OPERATOR 2	<div></div> 9.43
OPERATOR 3	<div></div> 10.47

## AVERAGE LATENCY (MS)

COSMOTE	<div></div> 23
OPERATOR 2	<div></div> 24
OPERATOR 3	<div></div> 25



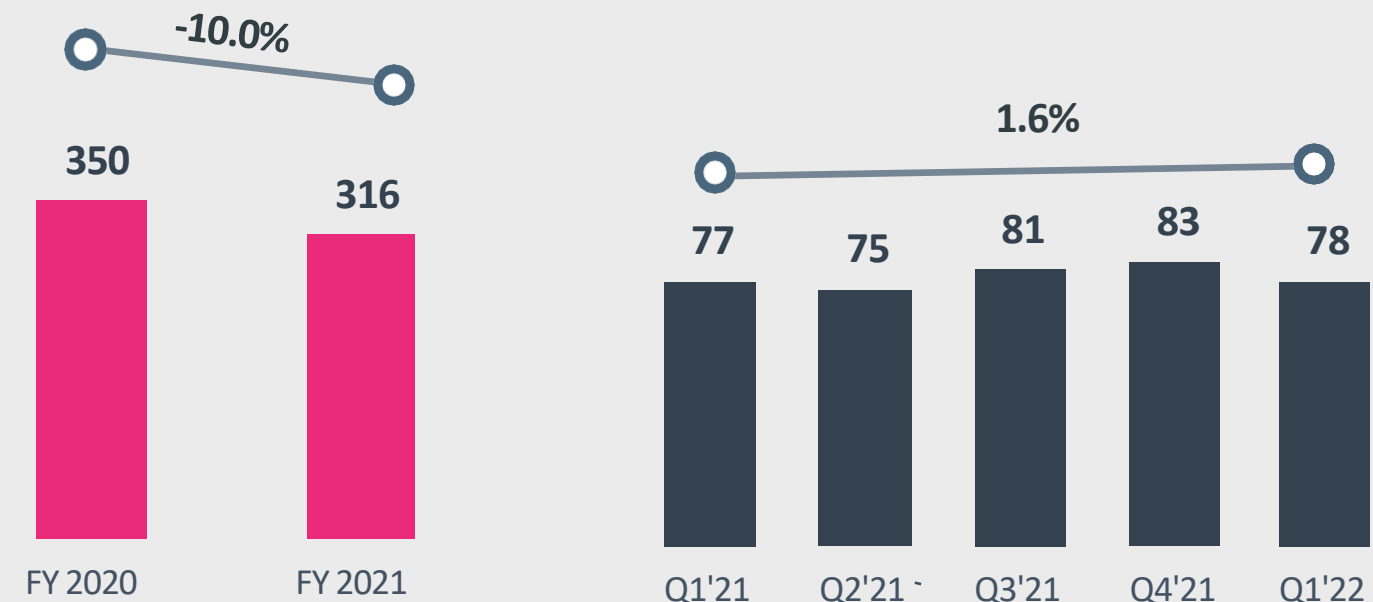
OTE Group  
Q1 2022 Results

# Romania Mobile

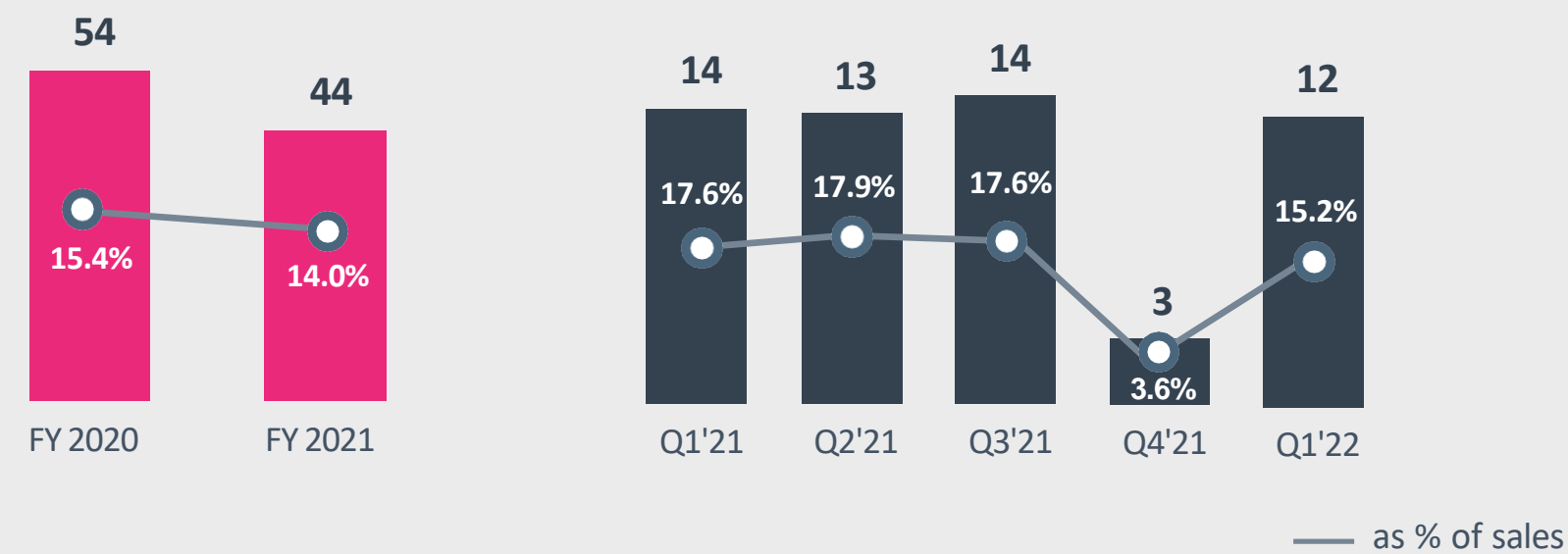


# Romania – Financial Overview

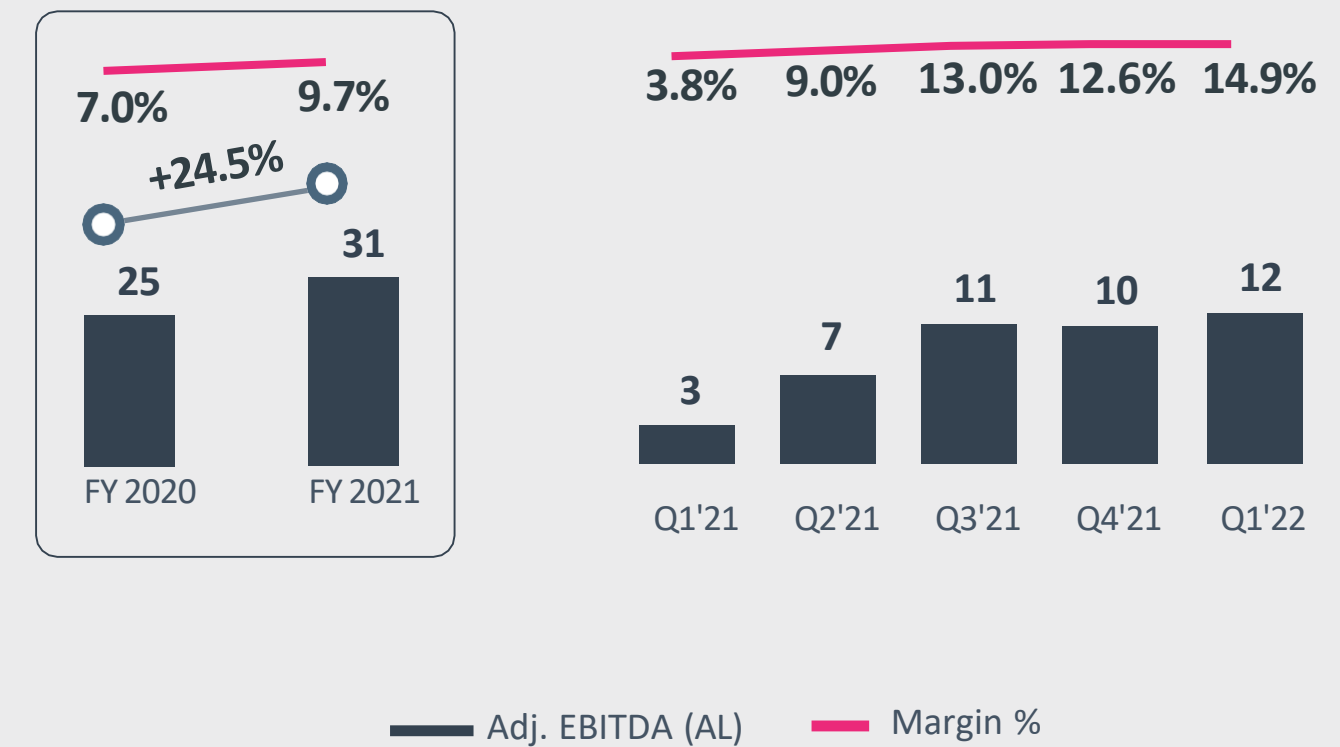
## Total Revenues (€m)



## Adjusted Capex (€m)



## Adj. EBITDA (AL) (€m)



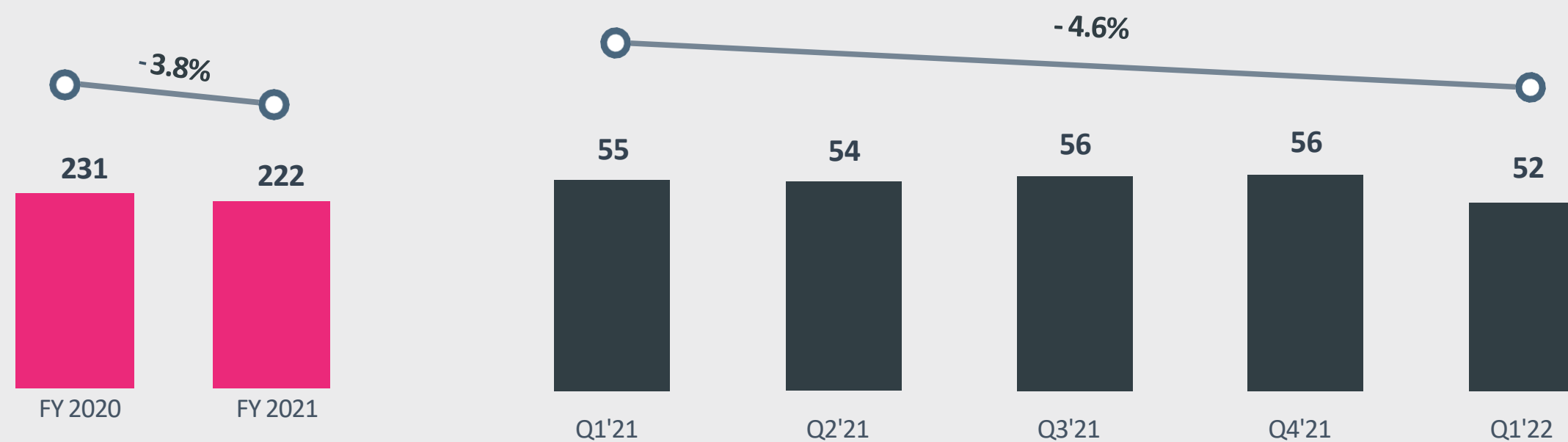
Total revenues up by 1.6% on positive one-off (MVNO)  
Sharp reduction in MTR

Underlying Profitability more than double in the quarter (€6m)



# Romania – Financial Overview

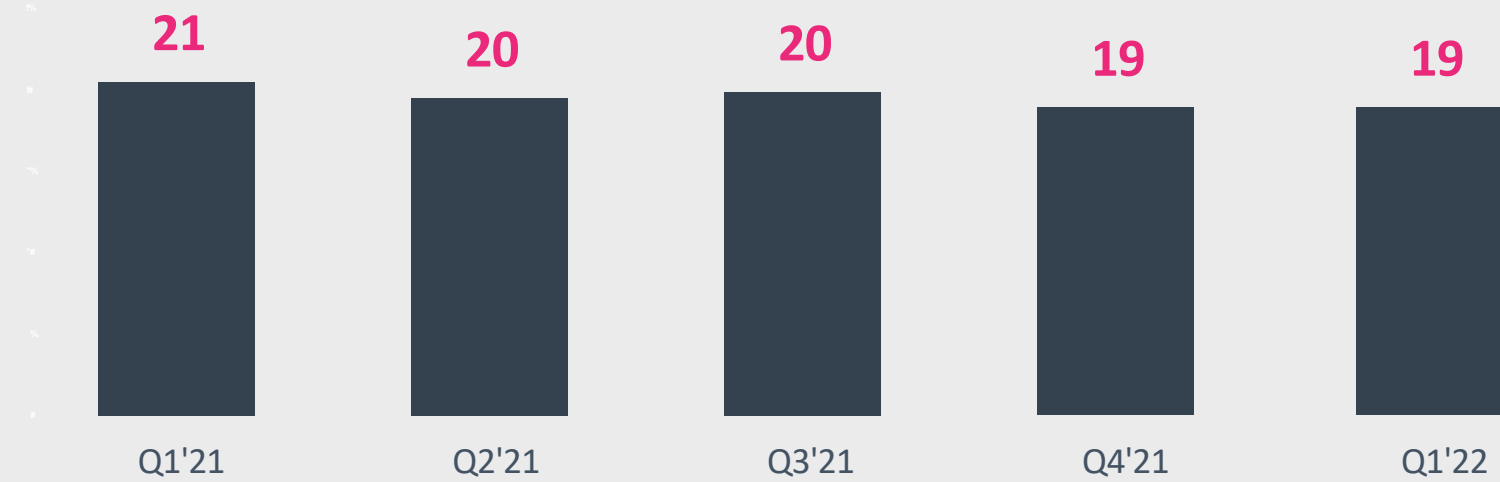
## Mobile Service Revenues (€mn)



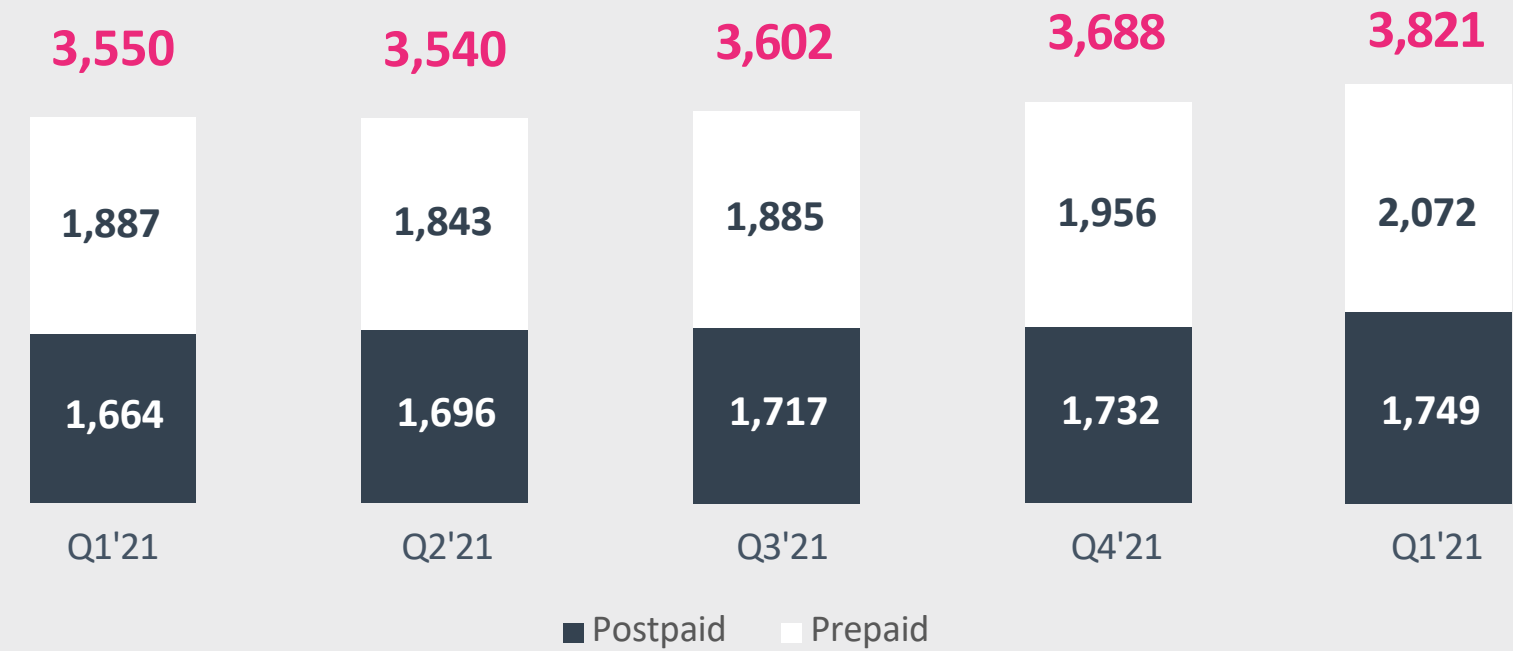
Mobile Service revenues were down 4.6%, due to sharp cuts in mobile termination rates  
Postpaid subscriber base posted further growth; +5.1%;  
FMS proposition launched in the previous quarter has started to gain traction

# Romania – Mobile KPIs

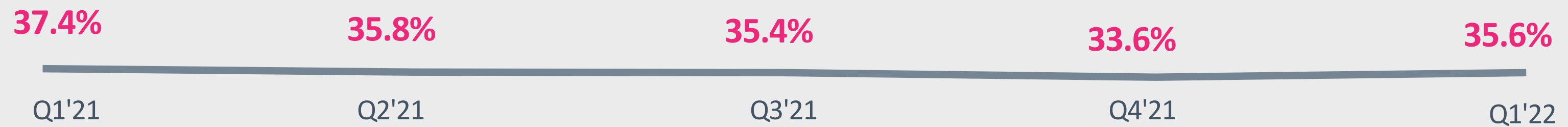
## Data Revenues (€m)



## Total Subscribers (000)



## Data Revenues as % of Service Revenues





**THANK YOU**

