



# OTE

Hellenic Telecommunications Organization  
Q3 2021 Results  
November 2021



GROUP OF COMPANIES

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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 (apart from Balance Sheet) adjusted to reflect only continuing operations; Telekom Romania (TKR) operations along with certain significant commercial transactions (MVNO agreement and handset sales) between TKR and Telekom Romania Mobile (TKRM) have been treated as discontinued operations.

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

## Key Developments

### SPIN OFF of frontline operations

- Customer Service
  - Shops
  - Technical Field Operations
- into 100% subsidiaries was completed

### 5G Spectrum

- 1<sup>st</sup> in Greece to launch 5G services following auction in late 2020
- 700 MHz
  - 2 GHz
  - 3400-3800 MHz
  - 26 GHz
- Target >60% population coverage by the end of 2021

### TV Sports Content

- 2021 to 2024:
- Champions League
  - Europa League
  - Italian football Lega Serie A
  - 8 out of 14 Greek SuperLeague football teams

### FTTH expansion

- Demand for high-speed connections continues to expand
- 479k homes as of Q3'21
  - >560k by end of 2021

### VES Voluntary Exit Schemes

- >1,300 people
- Adopted the voluntary exit schemes implemented in 2020

### Telekom Romania Disposal

Completion of the sale of OTE's 54% stake in Telekom Romania (TKR) to Orange Romania; **€296.5mn**

### Extraordinary Distribution

Extraordinary distribution to OTE shareholders, following the sale of TKR; **€174mn**

## Q3 Highlights

### GROUP

**+1.8%**

Revenues

- Further growth in Greece

**+3.2%**

Adj. EBITDA (AL)

- Strong margin at 40.9%

**€116mn** **€108mn**

Adj. FCF

FCF

- Free Cash Flow up +18% year on year

**€480mn**

Shareholders Remuneration

- **€480mn** shareholder remuneration for FY 2021 confirmed
- **€0.68/share**

**TKR Disposal**

- Successful completion of Telekom Romania (Fixed) disposal
- **€174mn** extraordinary distribution

### GREECE

Positive momentum continues

**Revenues: +3.5%**

+1.8% increase in Fixed retail, driven by strong broadband growth

+8.2% increase in mobile service revenues, roaming recovery

Increasing demand for faster broadband speeds  
FTTH rollout continues

**Adj. EBITDA (AL): +5.0%**

yielding a strong margin of 43.3%

### ROMANIA MOBILE

**Revenues: €80.8mn**

Revenues were down 10.8%, impacted by one-off comparable adjustments

**Adj. EBITDA (AL): €10.5mn**

Improved underlying profitability  
Yielding a margin of 13.0%



# Financial Review



# Group Overview

Q3'2021

**€861mn**

Revenues  
(yoy +1.8%)

**€353mn**

Adj. EBITDA (AL)  
(yoy +3.2%)

**€161mn**

Adj. Capex  
(yoy +62.5%)

**€116mn**

Adj. FCF  
(yoy +1.3%)

**€7.4bn**

Market Cap  
As at 30 September 2021

9M'2021

**€2,477mn**

Revenues  
(yoy +2.8%)

**€964mn**

Adj. EBITDA (AL)  
(yoy +3.8%)

**€398mn**

Adj. Capex  
(yoy +4.3%)

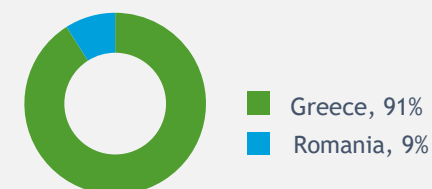
**€441mn**

Adj. FCF  
(yoy +10.1%)



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.

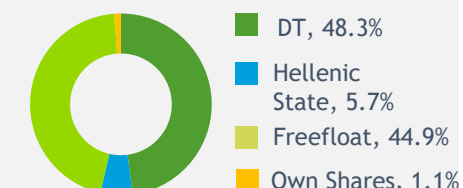
## Revenues



## Adj. EBITDA (AL)



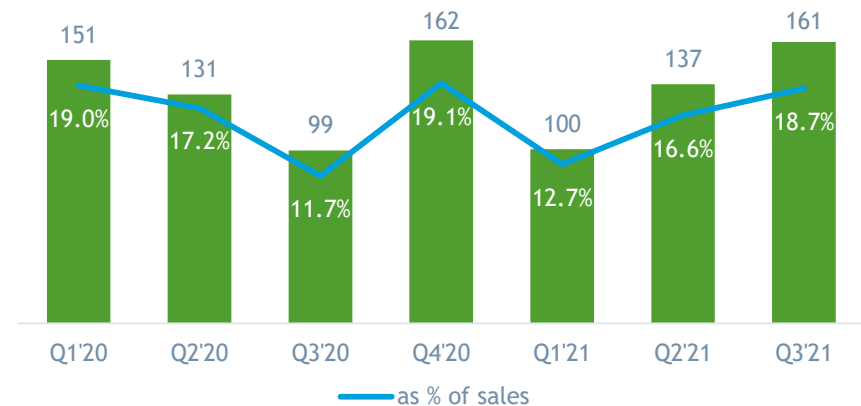
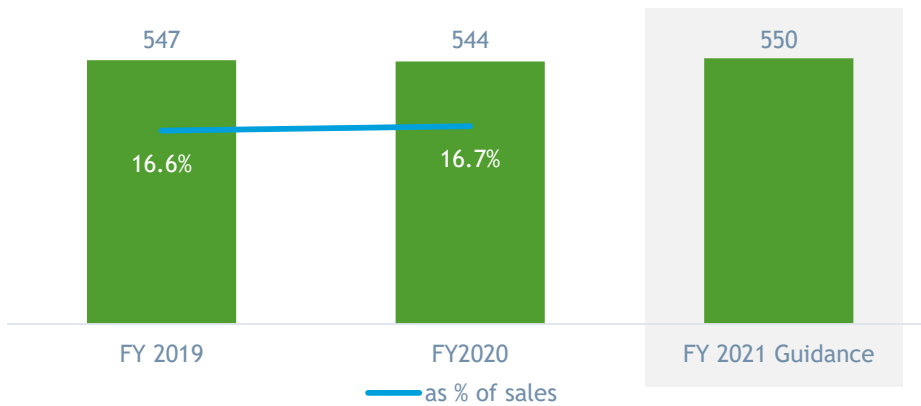
## Shareholders\*



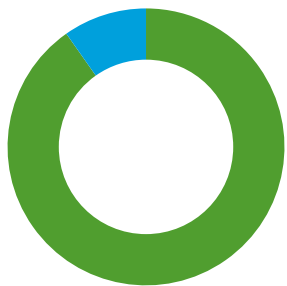
\*Hellenic State includes the direct participation of e-EFKA (4.67%) in OTE.

# Capex

## Adjusted Capex (€mn)



## Per Country (€mn)



■ Greece, 91%  
■ Romania, 9%

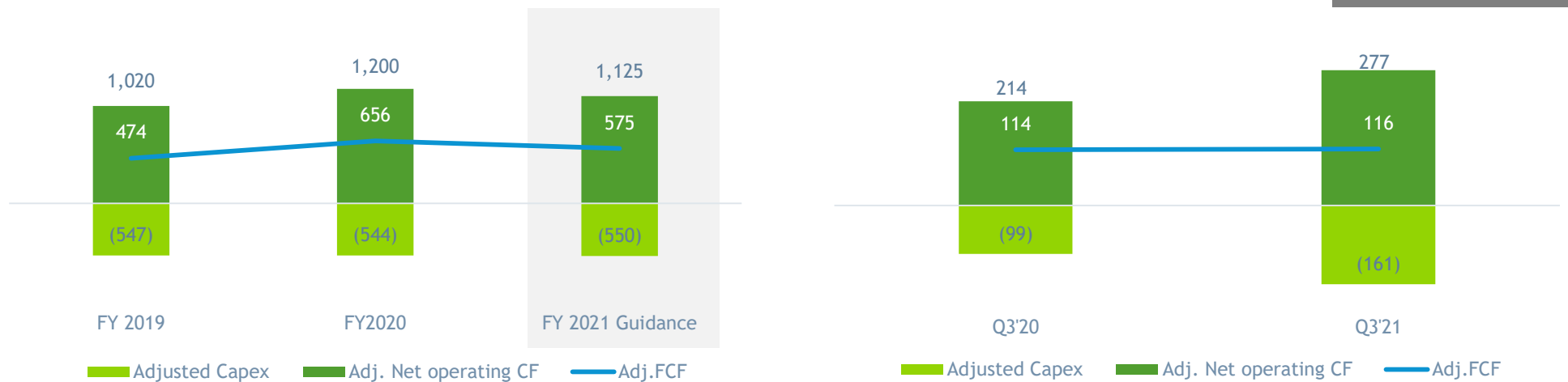
### Q3'21

Greece: €147mn  
Romania: €14mn

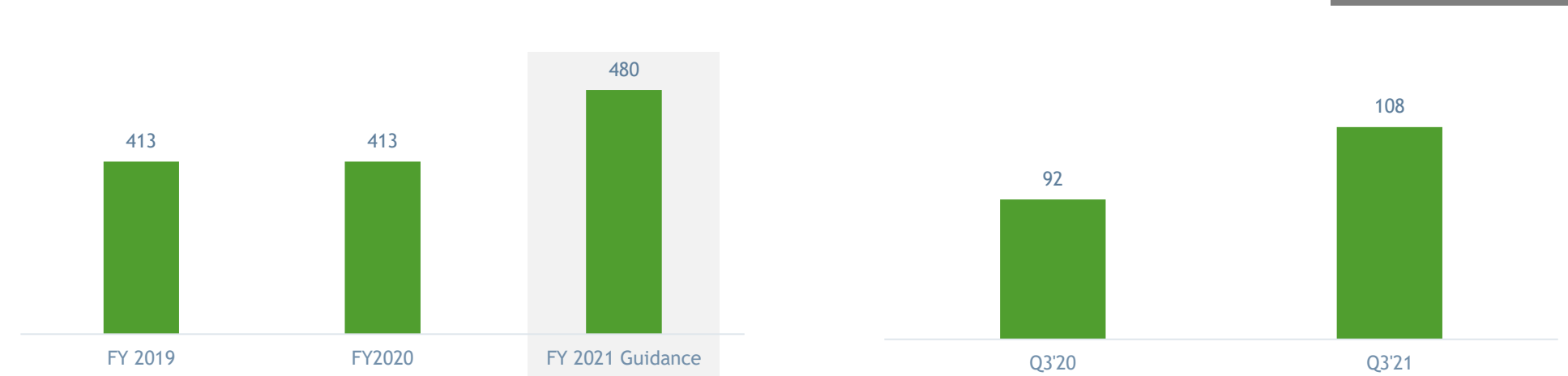
- FTTH footprint in the third quarter 2021 at 479k households and businesses with plans to pass 560k by the end of 2021
- **4G coverage** at 99%
- **5G population coverage target >60%** by the end of 2021; coverage of the nationwide highway system by 2023

# Cashflow

## Adjusted FCF (€mn)



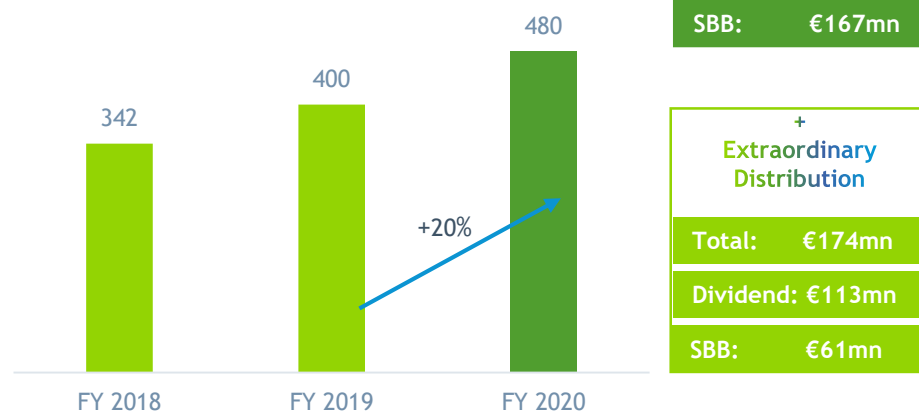
## Reported FCF (€mn)



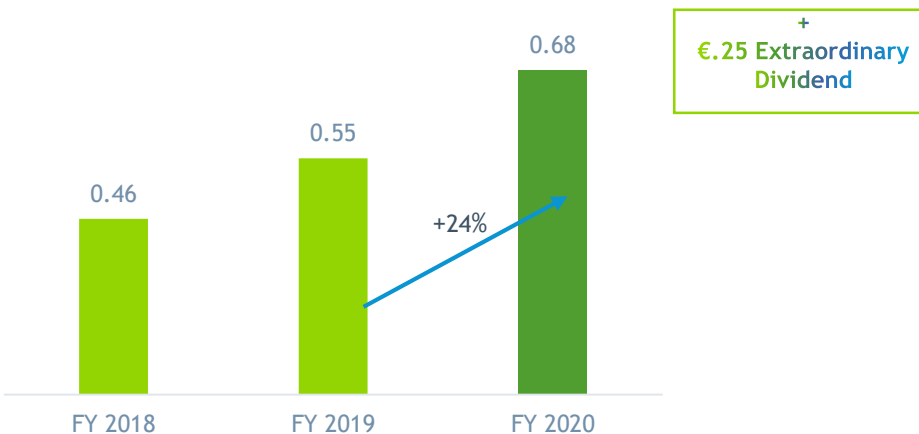


# Shareholder Remuneration Policy

## Total Payout (€mn)



## Dividend per Share (€)



## Shareholder Remuneration Policy

### 100%

FCF Distribution through a combination of dividends and share buybacks; **65%/35%** split between dividends and buybacks

### €480mn

€0.68 Dividend/share paid on July 02, 2021  
€167mn in Share Buybacks

### 5,048,517

Own shares as of  
September 30, 2021

### 456,739,120

Total number of shares  
(following the cancellation)

## Extraordinary Distribution (following TKR Disposal)

### €113mn or €0.25/share

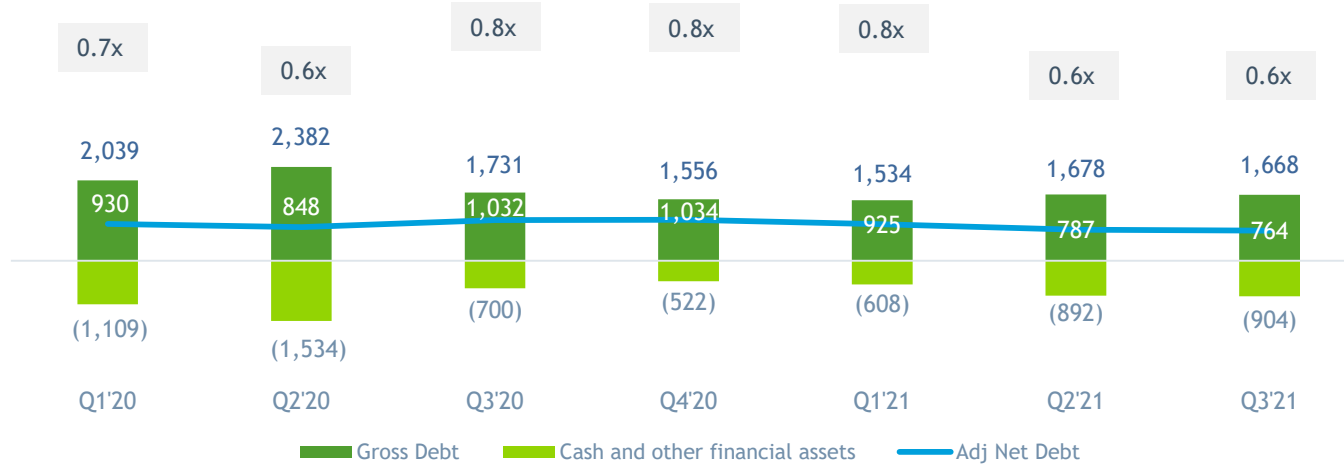
Extraordinary dividend will be paid on 19<sup>th</sup> of November

### €61mn buybacks

Additional amount will be allocated during the period of October 29, 2021 to February 20, 2022

# Debt and Liquidity Profile

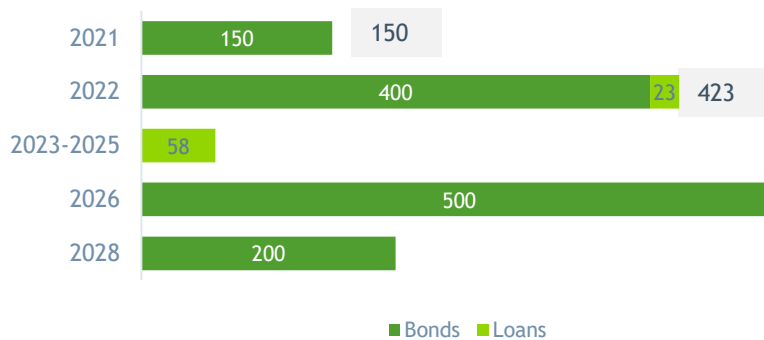
## Leverage (€mn) (IFRS amounts)



### Adjusted Net Debt/EBITDA

- Adj. Net Debt stood at €764mn
- Adj. Net Debt/EBITDA (AL) stood at 0.6x

## Debt Maturity Profile (€mn) (Nominal amounts)



### S&P upgraded OTE to “BBB” with stable outlook

#### Bonds

€150mn

2021 Bond (Nov)  
-0.237%

€400mn

2022 Bond (Jul)  
2.375%

€500mn

2026 Bond (Sep)  
0.875%

€200mn

2028 Bond (May)  
0.627%

#### Loans

€81mn

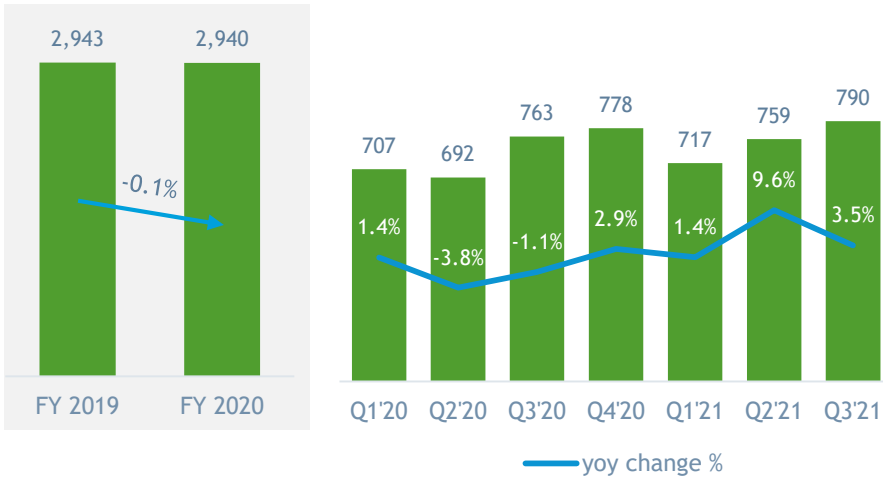
EIB  
COSMOTE

# Greece



# Greece - Financial Overview

## Total Revenues (€mn)



## Adj. EBITDA (AL) (€mn)



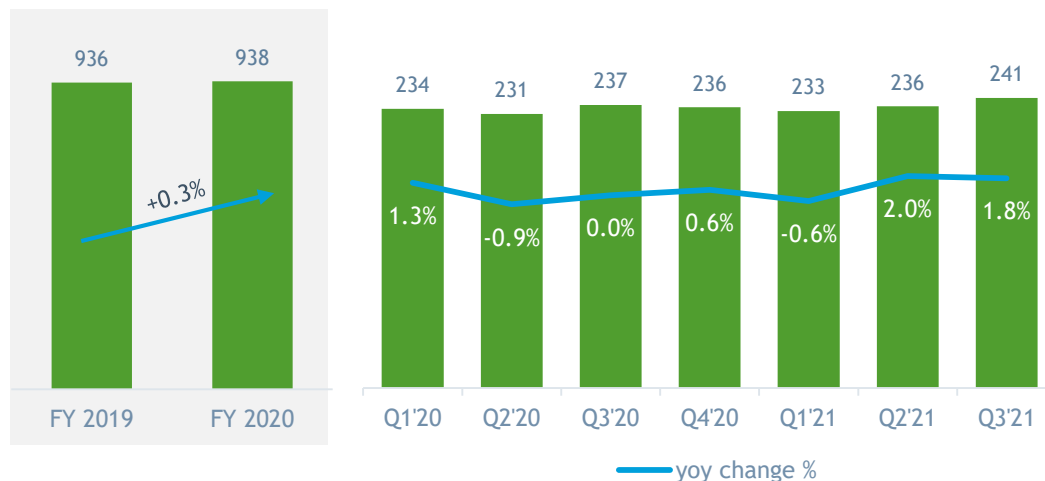
## Adjusted Capex (€mn)



- Positive momentum in Greece continues; Revenue up 3.5% on strong broadband and mobile growth:
  - Retail Fixed retail up 1.8%, driven by strong broadband growth and favorable TV trends
  - Mobile service revenues jump 8.2%, boosted by recovery in roaming
- Increase in Other revenues by 11.0% due to growth in ICT and handset sales
- Another quarter of strong Adj. EBITDA (AL) growth, up 5.0%; strong margin at 43.3%

# Greece - Financial Overview

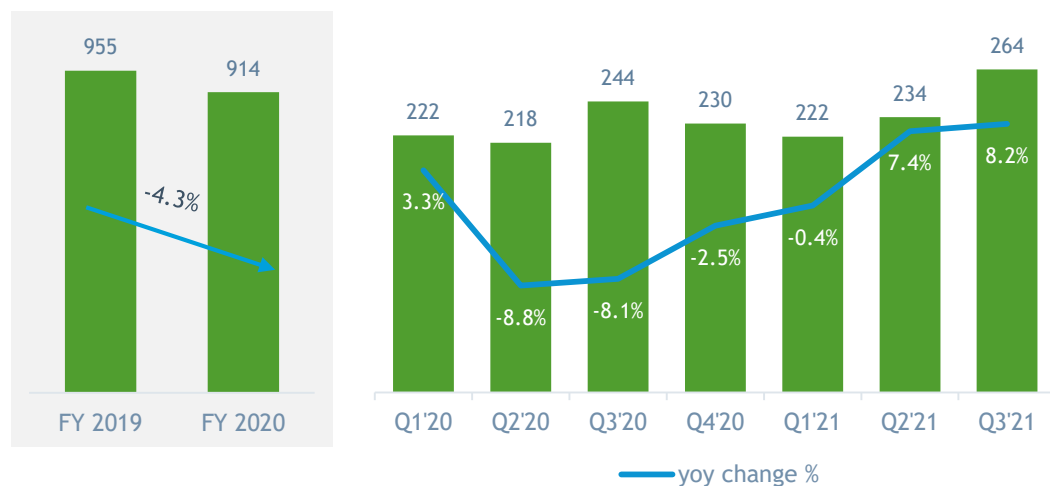
## Retail Fixed Revenues (€mn)



Retail fixed service revenues up 1.8%:

- Continuing strong momentum in broadband revenues
- Demand for fiber services is constantly expanding and fueling broadband growth
- TV revenues up, by further enrichment of the superior sports content

## Mobile Service Revenues (€mn)



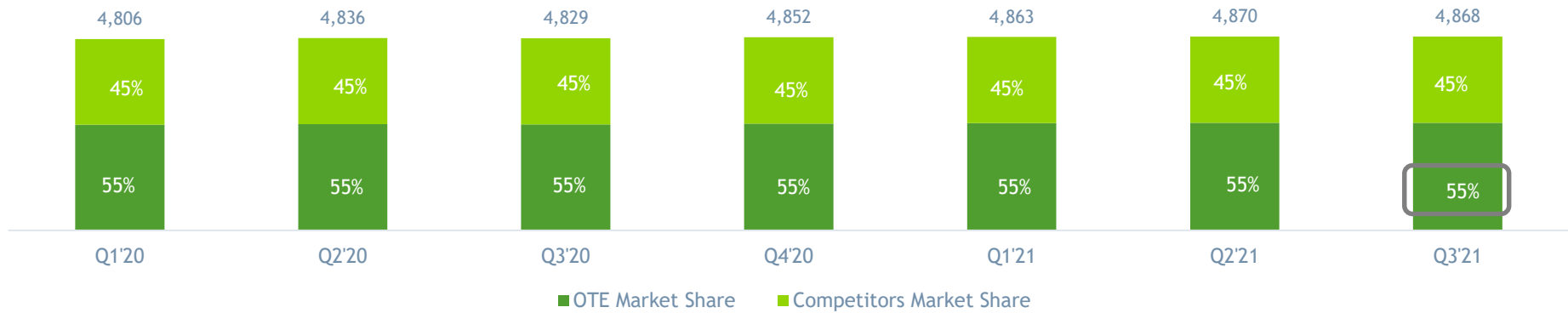
Mobile Service revenues up 8.2%:

- Postpaid and prepaid segment increased on a year-on-year basis reflecting offerings to boost data usage
- Roaming revenues were up sharply (+70%) due to tourism recovery during the summer

# Greece - Fixed KPIs

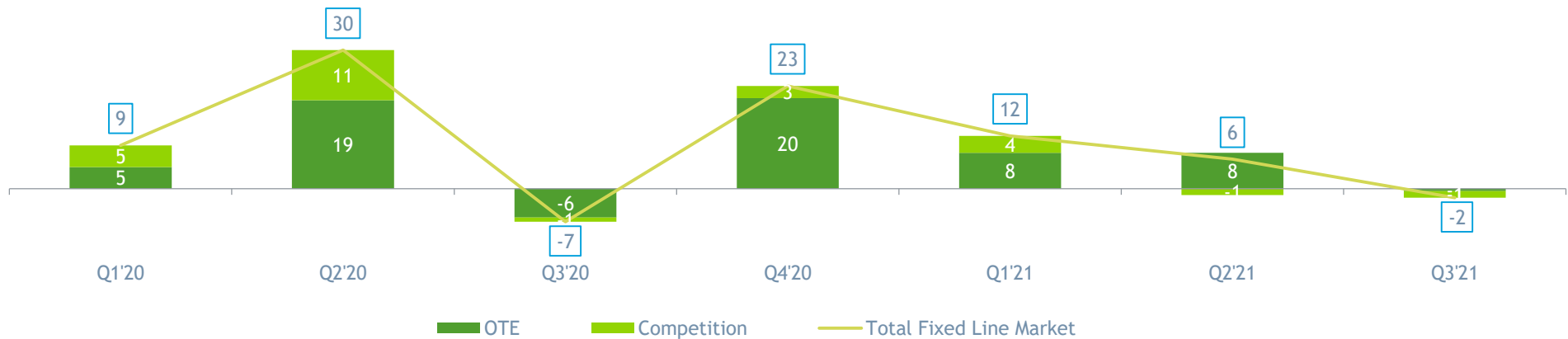
Fixed Voice Market Evolution (000)

OTE Fixed Lines at 2,698k



Net Additions (000)

OTE additions -1k

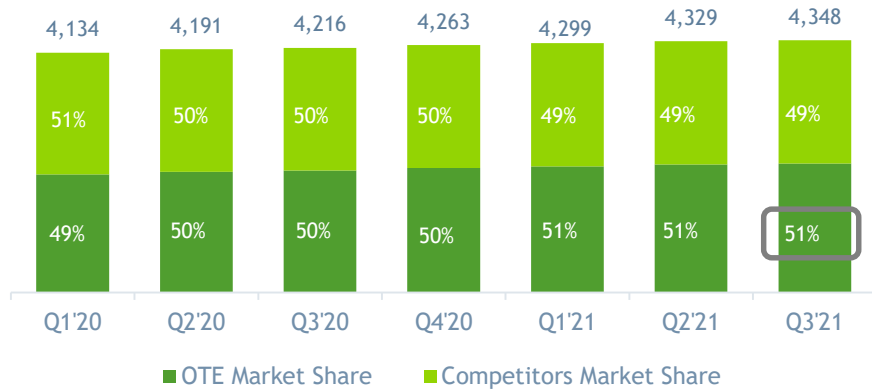




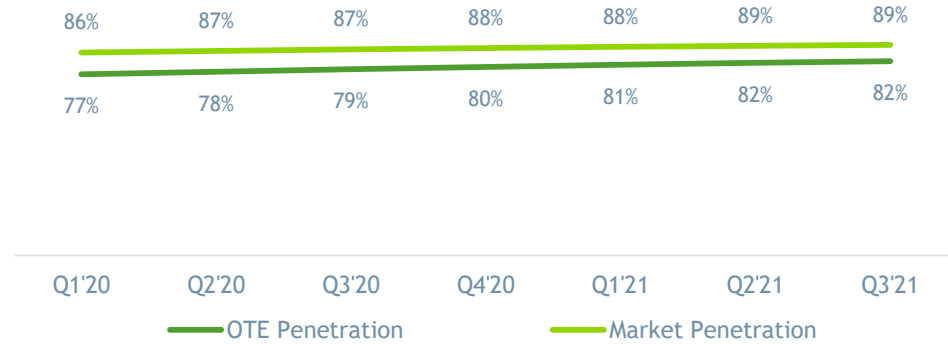
# Greece - Broadband KPIs

Broadband Market Evolution (000)

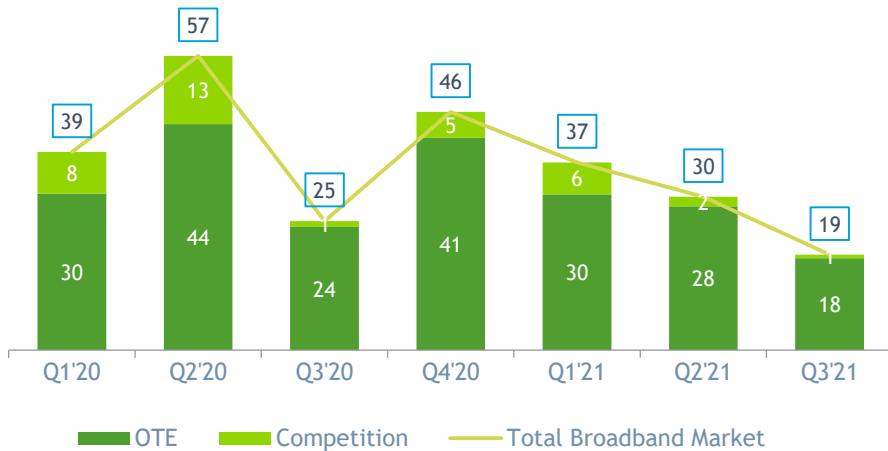
OTE Broadband Lines at 2,222k



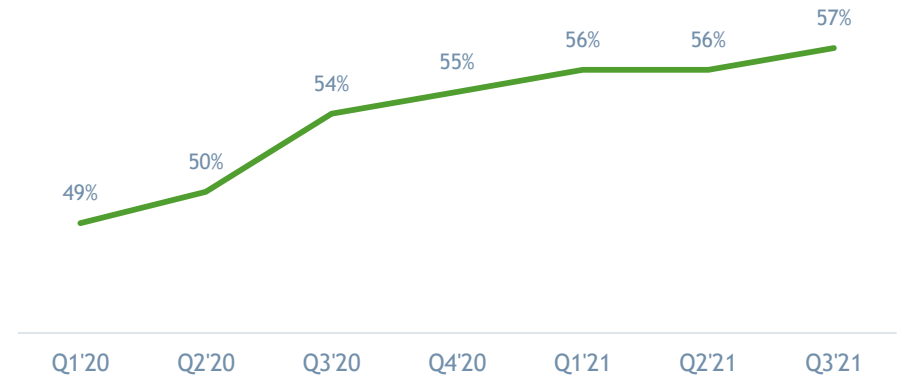
Market Penetration



Broadband Net Additions (000)



FMC B2C\* Penetration (000)

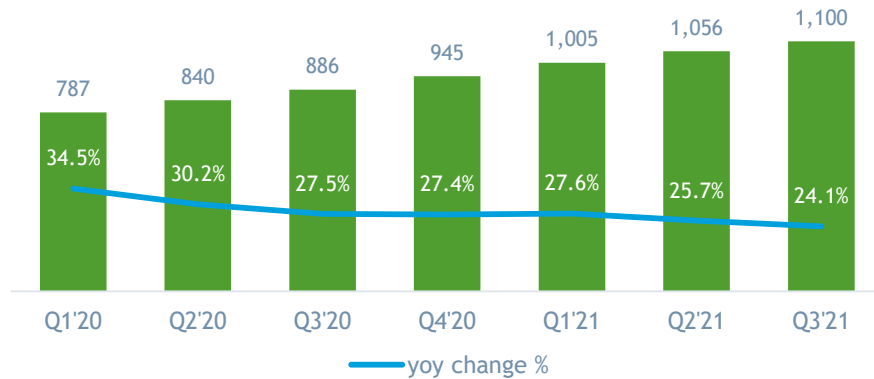


\*B2C Broadband lines

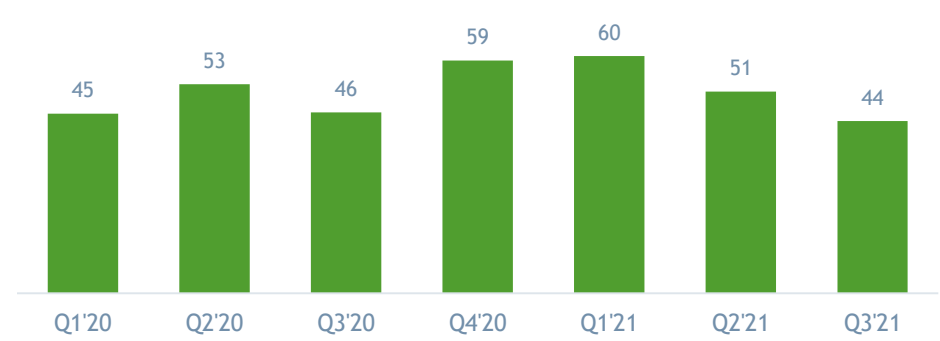
# Greece - Fiber KPIs

Fiber Subscribers (000)

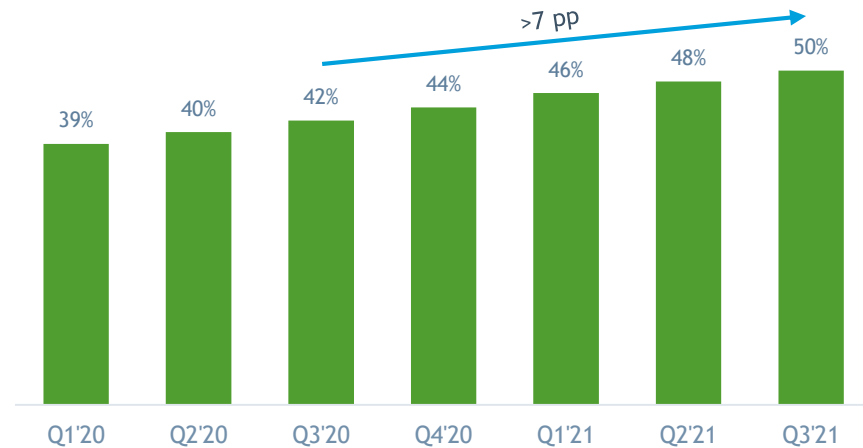
23% of fiber subs enjoy speeds of 100Mbps or more



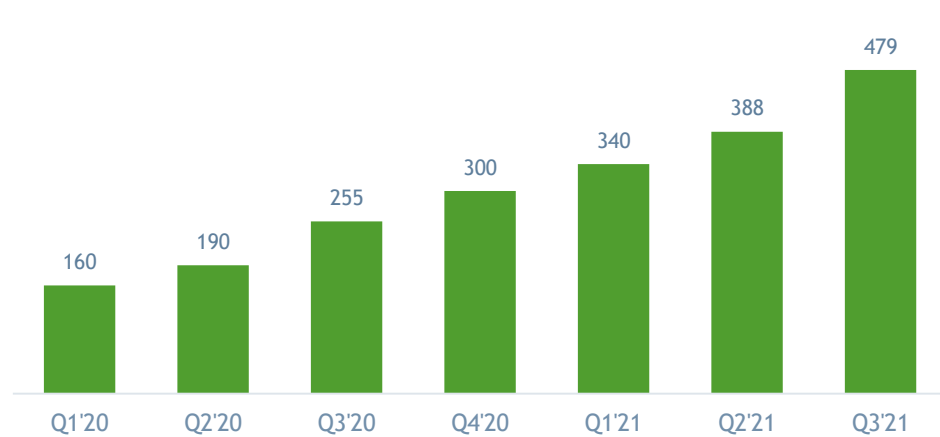
Fiber Subscribers additions (000)



Fiber Penetration

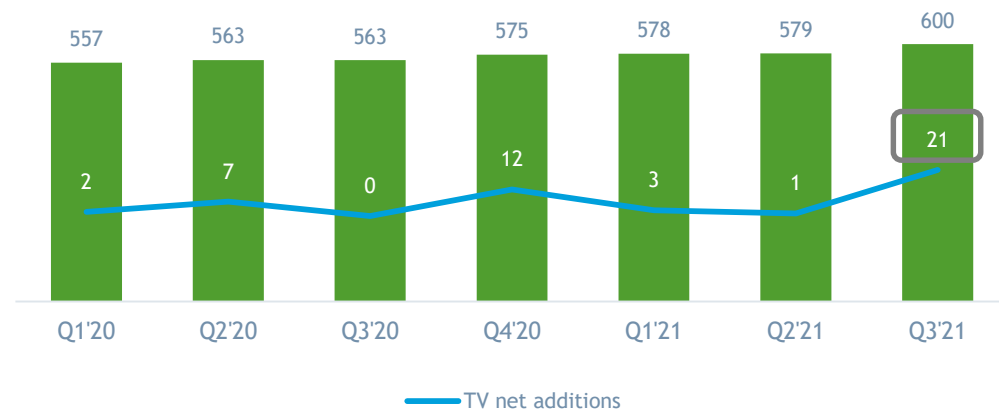


FTTH Homes Passed (000)



# Greece - COSMOTE TV

## TV Subscribers (000)

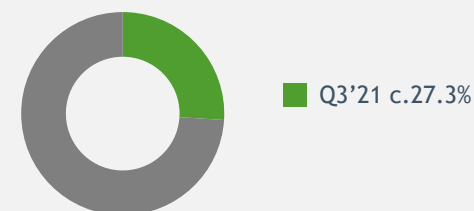


- +6.6% yoy increase in Customer base; Strong additions +21k
- UEFA Champions League and Europa League TV rights renewed for 2021-2024
- Broadcasting agreements with eight out of fourteen Greek Superleague football teams
- Italian Lega Serie A rights up to 2023-2024 period

## TV Market

- Exclusive premium content through PayTV offerings
- Despite low penetration levels - TV market segment shows signs of maturity
- OTT players gain traction

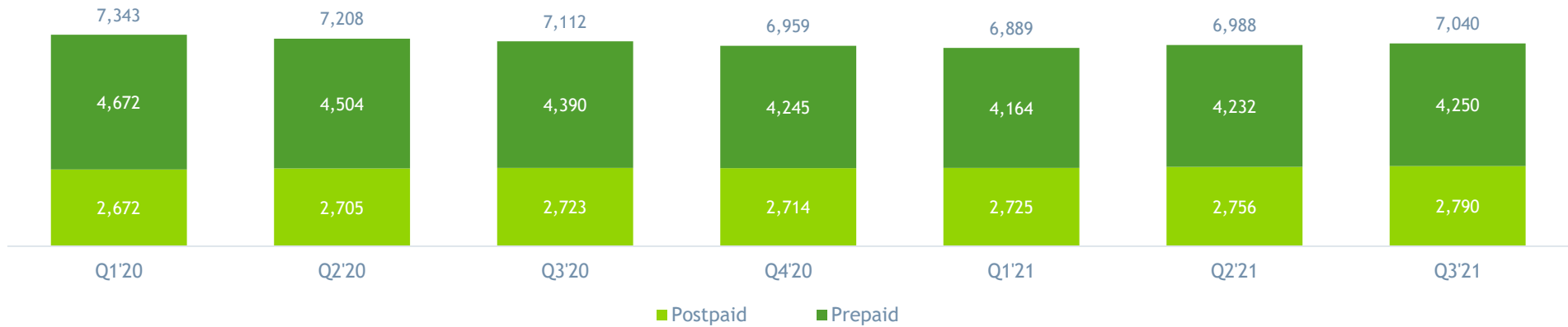
## PAY-TV PENETRATION %



# Greece - Mobile KPIs

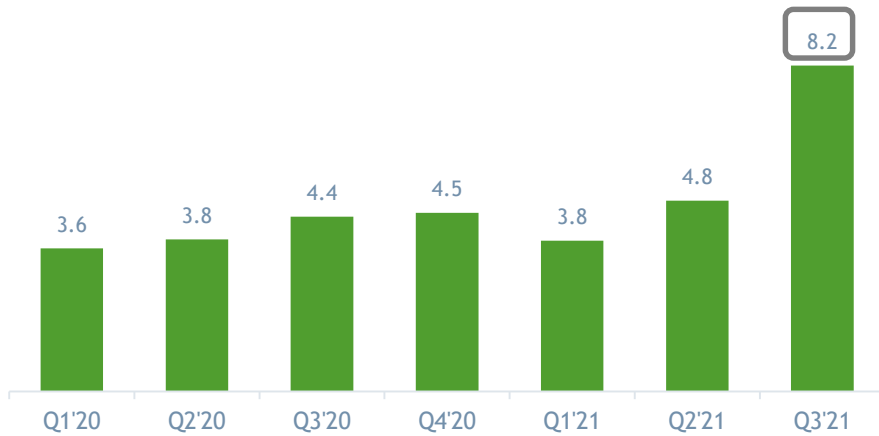
## Total Subscribers (000)

Q3'21: Post Paid +2.5% yoy



## Avg. Data usage\* (GB)

Q3'21: +85.0% yoy



- Another positive quarter for postpaid segment, up +2.5%
- Recently launched “COSMOTE Neo” the first fully digital mobile in Greece
- +96% in Data Traffic of Handset Internet
- Average data usage up +85 % at 8.2 GB per subscriber
- Penetration in HI Data Users at 72%

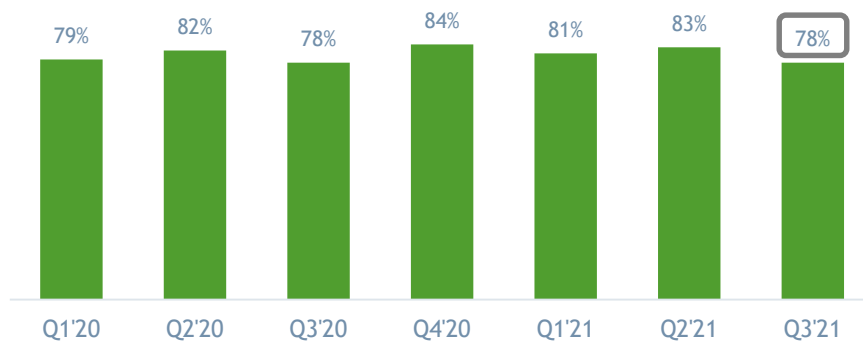
\*Handsets Internet Data Usage/GB of use per HI subscriber

# Greece - Digitalization

## Smartphone penetration (%)



## COSMOTE Apps Active users penetration\* (%)



COSMOTE app users at 3.4 million by end of the quarter. It has become the major digital contact point with the customer. It includes features like:

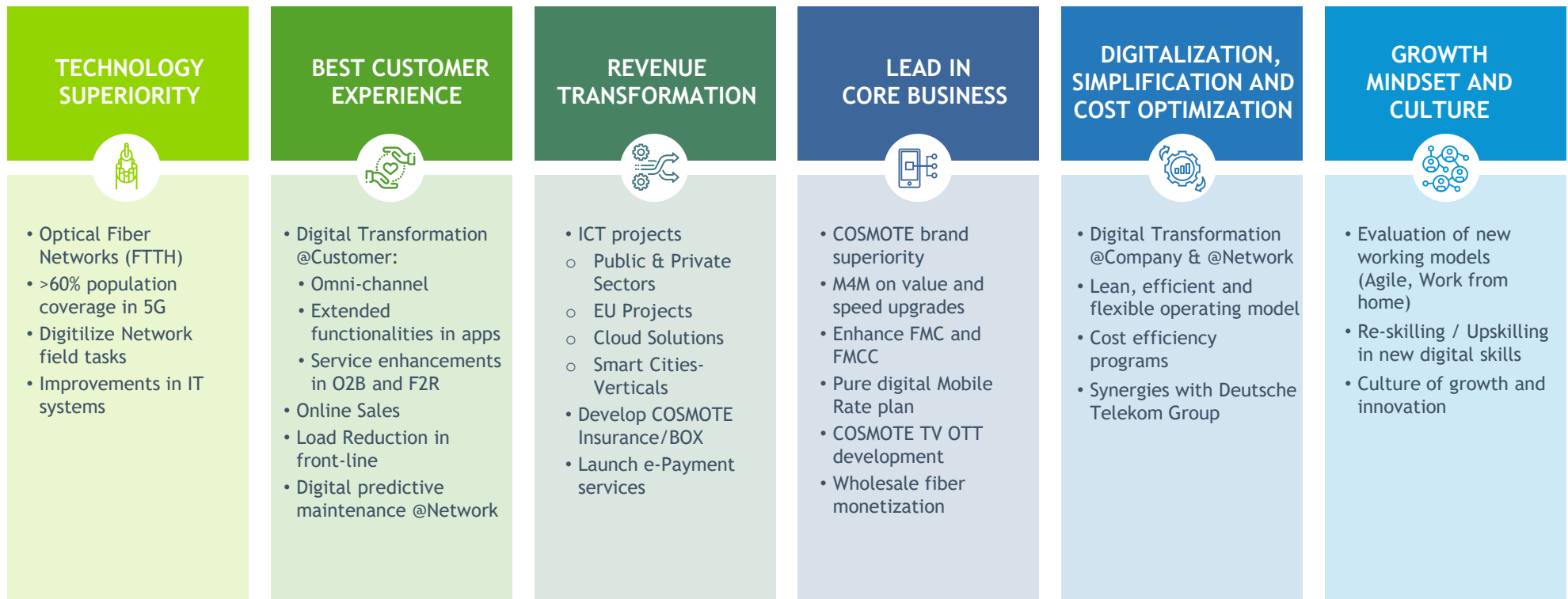
- Mobile data bundle subscription renewal, bill payment, and ordering functionality for additional OTE services
- Remote Wi-Fi router management, parental control features and management of short-digit premium value-added services
- Recently launched “COSMOTE Neo”, the first fully digital mobile

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

\*Penetration as % of Smartphone users

# Strategy

## OTE, THE LEADING DIGITAL TELCO: THE 7 PILLARS OF OUR STRATEGIC PLAN



### SUSTAINABLE BUSINESS





# 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

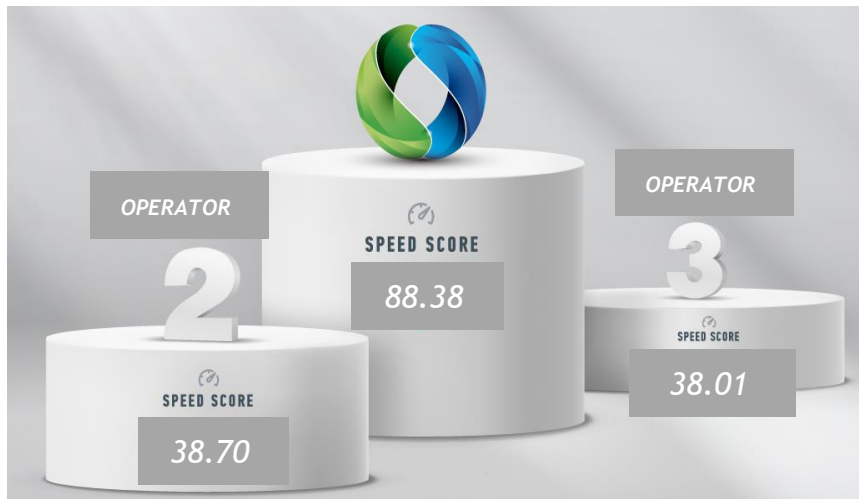
### Digital Culture & Skills

- Growth mindset
- Digital Skills & Learning
- Innovation culture

# Mobile Network Superiority in Greece



COSMOTE Fastest Mobile Network for 5th consecutive year



Best in Test” certification, for seventh consecutive time, for its mobile internet and voice services in Greece



## AVERAGE DOWNLOAD SPEED (MBPS)

COSMOTE	58.01
OPERATOR 2	27.02
OPERATOR 3	25.56

## AVERAGE UPLOAD SPEED (MBPS)

COSMOTE	12.77
OPERATOR 2	9.88
OPERATOR 3	8.50

## AVERAGE LATENCY (MS)

COSMOTE	22
OPERATOR 2	23
OPERATOR 3	24

# SRI Indices and Ratings

The OTE Group responds to sustainability / ESG / socially responsible investment (SRI) analysts' questions and assessments.



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.



OTE is included in the Vigeo-Eiris Best Emerging Market Performers Ranking (the 100 most advanced companies in its Emerging Markets universe), for the third consecutive year. The company, as of July 2021 has been ranked first in sector and as one of the top 10 performers in the region.



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 2020 evaluation, OTE maintained its 'B' (Management) rating, putting it above the average of all companies in the sector



As of January 2021, OTE Group has been included, for the second 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.

# Environmental Targets

## CLIMATE CHANGE



- OTE Group commits to DT Climate Change Targets:**
- Net Zero for direct and indirect energy consumption including up to 95% reduction by 2025
  - 100% Renewable electricity (from 2021)
  - 25% Emission reduction per customer for value chains emissions (2017-2030)
  - Net Zero emissions across the value chain by 2040

## ZERO PLASTIC



- Retain:**
- 0% use of plastic bottles
  - 0% use of plastic cups
  - 0% use of straws
- Reduce to:**
- 0% plastic food containers & single use cutleries

## WASTE MANAGEMENT



- >75% reuse/recycle of total waste generated (2021)
- Zero waste from ICT services to landfill (2021)

## SHOPS



- FSC paper bags in Retail network (2021)

## PAPER



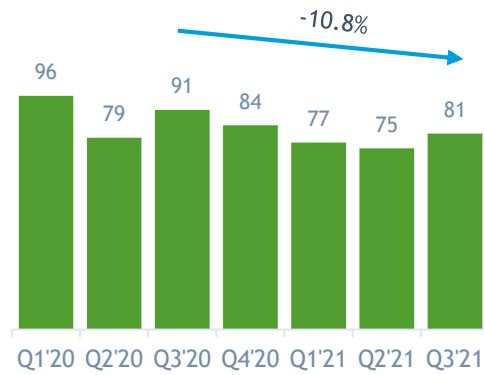
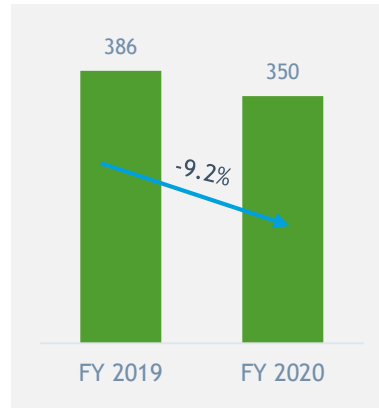
- Commit to new “4 year paper reduction target” (54% reduction 2020 Vs 2016)



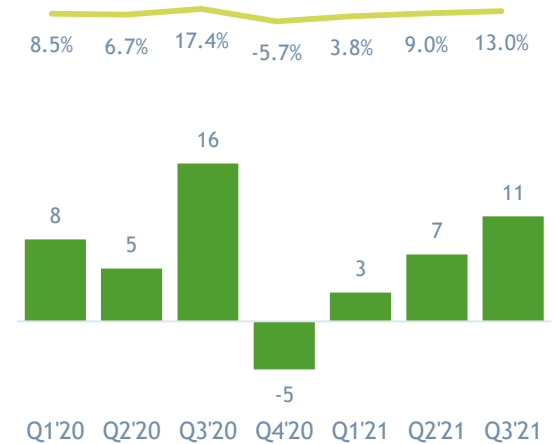
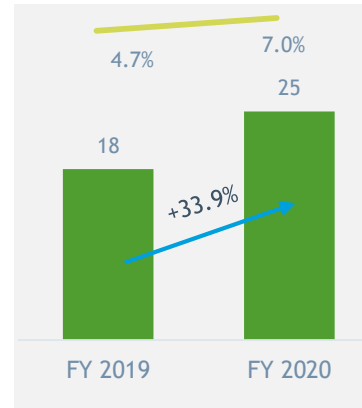
# Romania Mobile



# Romania - Financial Overview

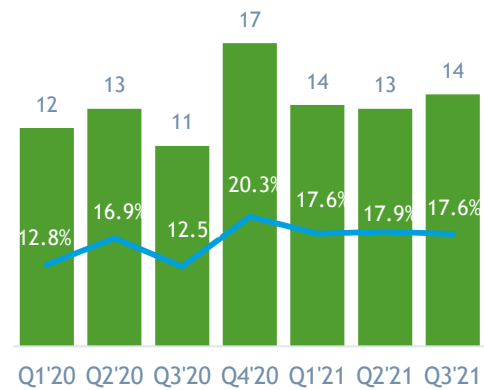
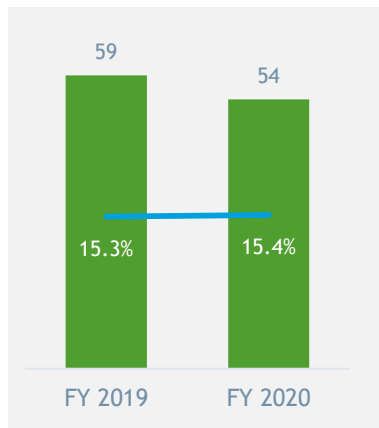


## Adj. EBITDA (AL) (€mn)



■ Adj. EBITDA (AL)    — Margin %

## Adjusted Capex (€mn)



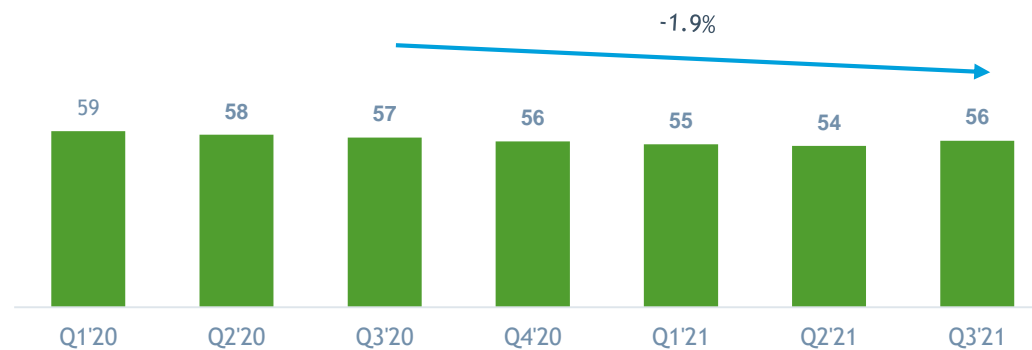
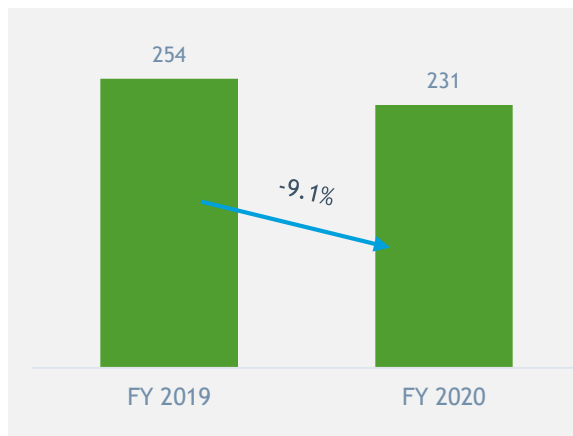
— as % of sales

- Total revenues down by 10.8% due to one off positive adjustments in Q3'20
- Adjusted EBITDA (AL) at €10.5m; improved underlying profitability
- Excluding comparable adjustments Adjusted EBITDA (AL) was up c.11%, posting a significant rebound compared to prior quarters



# Romania - Financial Overview

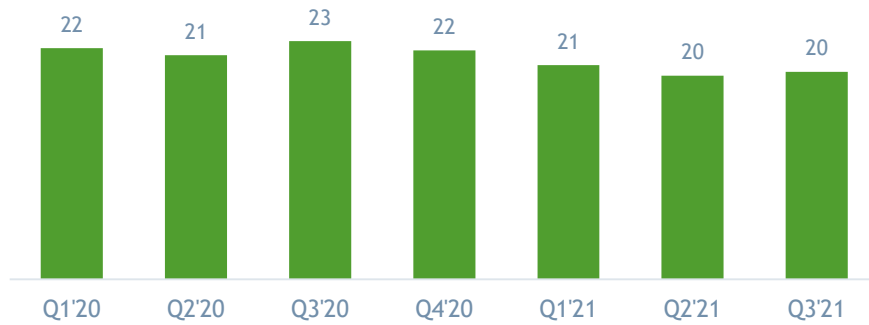
## Mobile Service Revenues (€mn)



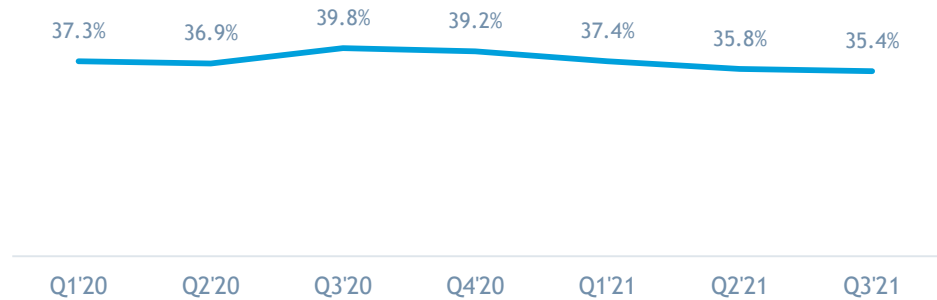
- Mobile Service revenues were down 1.9%, marking another quarter of improving trends:
  - Postpaid subscriber base posted further growth; +7.1%
  - Roaming revenues recovered

# Romania - Mobile KPIs

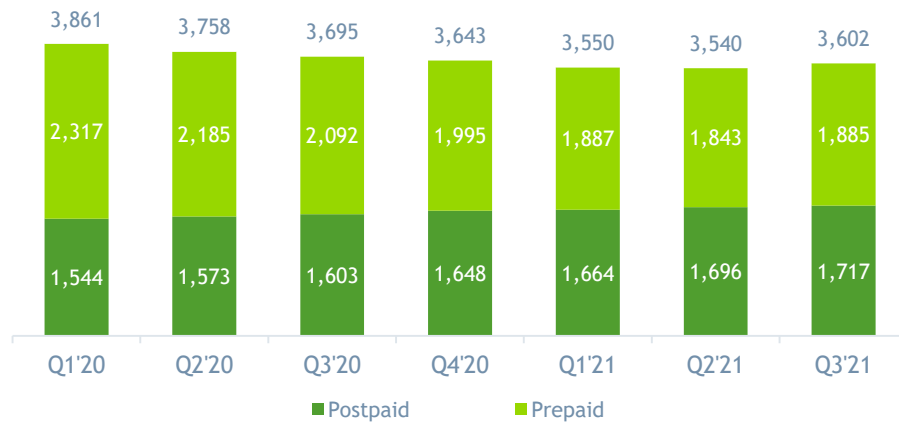
Data Revenues (€mn)



Data Revenues as % of Service Revenues



Total Subscribers (000)



Thank you

