



O2 Czech Republic

13th August 2021

Quarterly Results January – June 2021



O2

Cautionary statement

Any forward-looking statements concerning future economic and financial performance of O2 Czech Republic a.s. contained in this Presentation are based on assumptions and expectations of the future development of factors having material influence on the future economic and financial performance of O2 Czech Republic a.s.

These factors include, but are not limited to, public regulation in the telecommunications sector, future macroeconomic situation, development of market competition and related demand for telecommunications and other services.

The actual development of these factors, however, may be different. Consequently, the actual future results of economic and financial performance of O2 Czech Republic a.s. could materially differ from those expressed in the forward-looking statements contained in this Presentation. Although O2 Czech Republic a.s. makes every effort to provide accurate information, we cannot accept liability for any misprints or other errors.



Today's speakers



Jindřich Fremuth

CEO & Chairman of the Board



Tomáš Kouřil

CFO & Vice-Chairman of the Board



Václav Zakouřil

Director of Legal and Regulatory Affairs
& Member of the Board of Directors

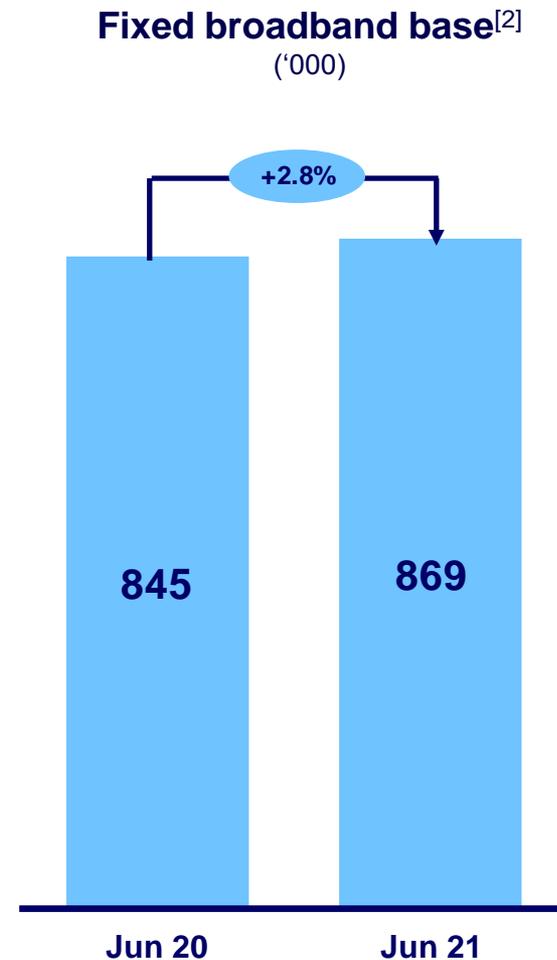
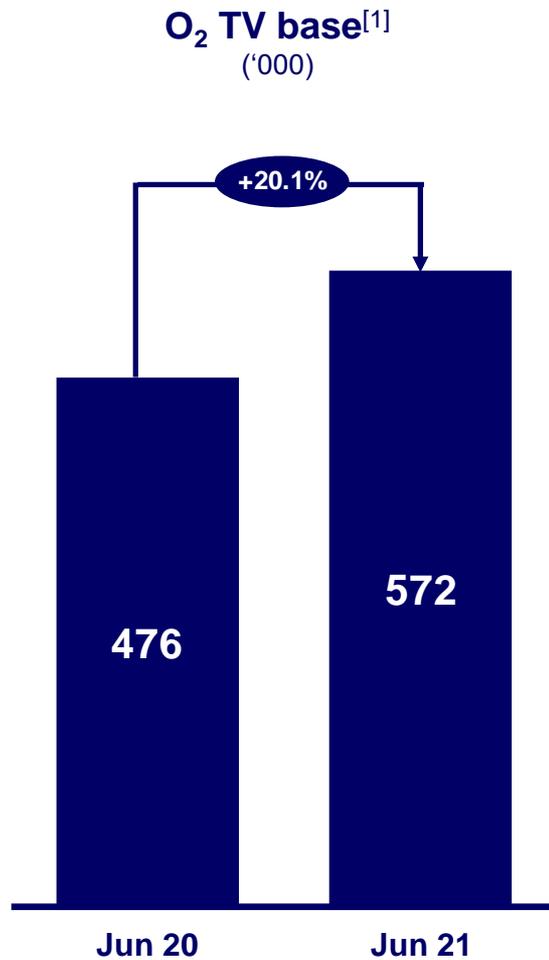


Strategic commercial initiatives & performance highlights

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Customers' growth in fixed segment maintained... ...helped by low churn

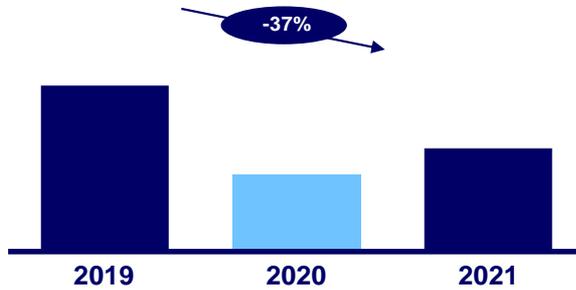


5 ^[1] IPTV & OTT, Prepaid (O₂ TV Sport Pack online and O₂ TV HBO and Sport Pack tariffs activated and paid by payment card);
^[2] Technology agnostic (xDSL, fibre, WTTx, LTE)

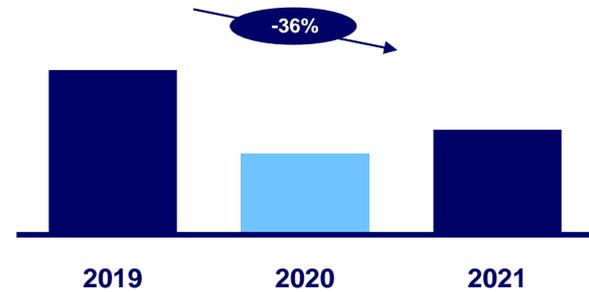


Roaming business still not at pre-Covid-19 levels... ...lack of incoming roamers with negative margin impact

Roaming abroad unique users
(Jun 2021 vs Jun 2019)



Roaming visitors unique users
(Jun 2021 vs Jun 2019)



Czech customers abroad
(traffic comparison Jun 2021 vs Jun 2019)

Foreign customers in the Czech Republic
(traffic comparison Jun 2021 vs Jun 2019)

Summer destinations



Surrounding countries



Non-EU

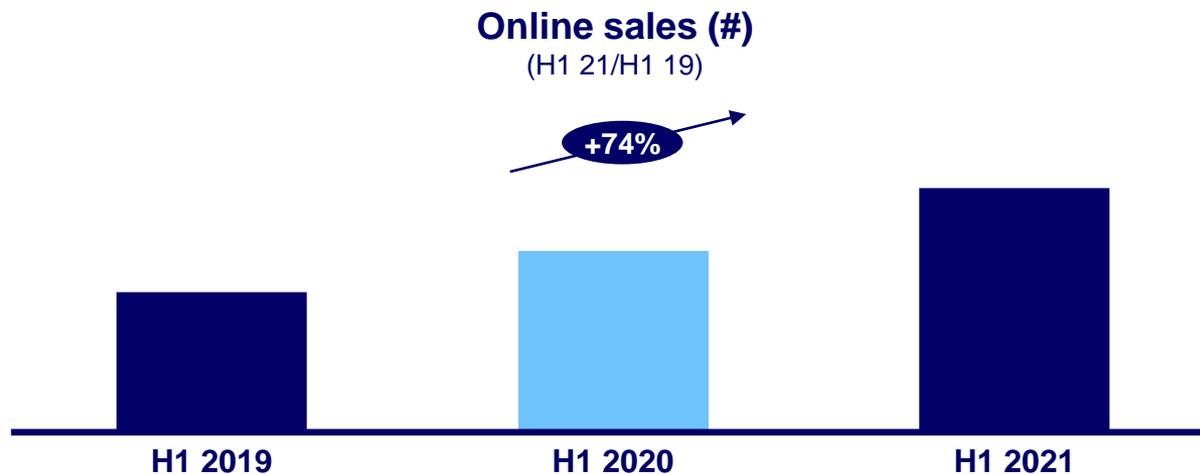
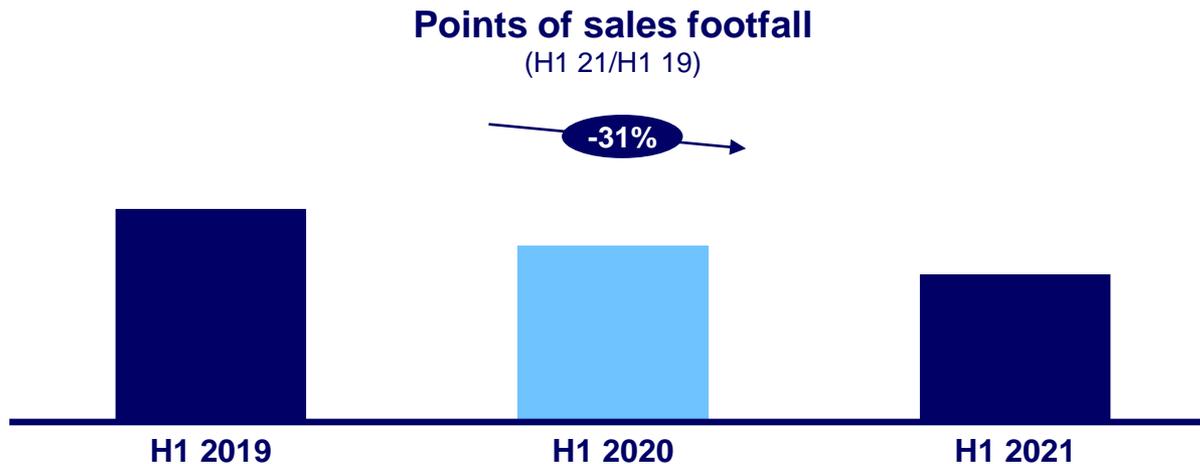


Roaming revenue & gross margin
(H1 21/H1 20)





Lower customers' interactions in retail shops... ...only partially offset by online transactions growth





Financial performance January – June 2021

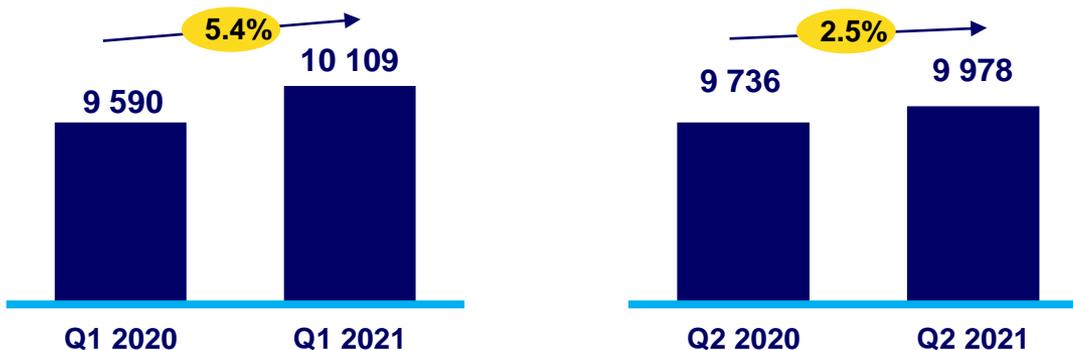
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Top line growth driven by ICT, data and pay TV... ...with slightly lower y-o-y dynamics in Q2

CZK millions	Jan – Jun 2021	Change H1 21/H1 20
Operating Revenue	20,087	+3.9%
CZ Mobile	10,031	
CZ Fixed	6,248	
Slovakia	3,867	
EBITDA	6,825	
<i>EBITDA margin</i>	34.0%	
Net Income	2,984	
CAPEX	961	+0.3%
CZ CAPEX	595	
SK CAPEX	366	
Free Cash Flow^[1]	2,248	

Operating Revenue



Covid Impact

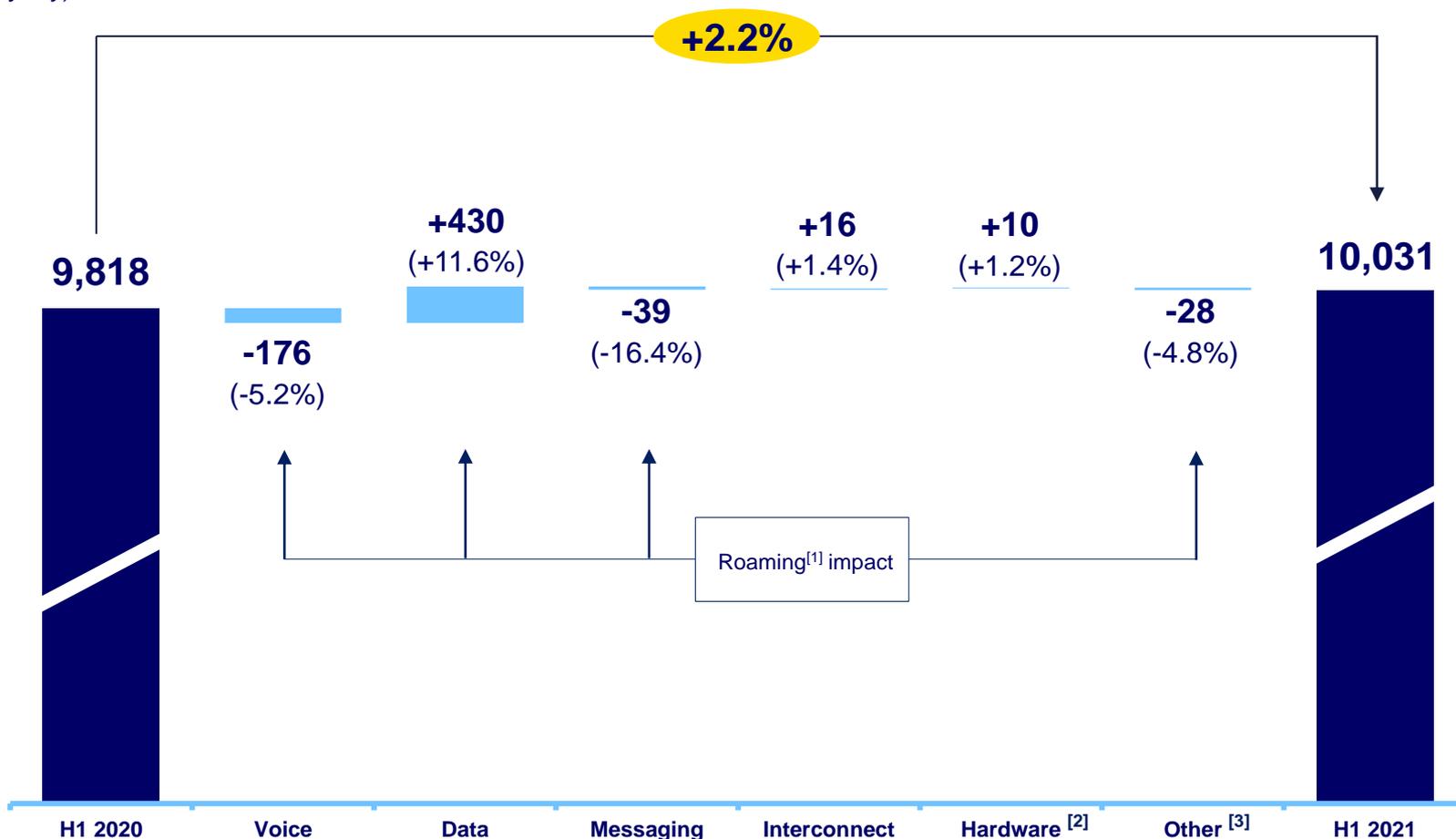
- Roaming Impact
- Payment morale
- HW revenue / margin
- OPEX cuts





Continuous COVID-19 impact on roaming revenue... ...compensated by mobile data category

CZK millions
(% change y-o-y)



10 [1] Both roaming abroad and roaming visitors, [2] Including other non-service revenue, [3] Y-o-y decrease is mainly driven by incoming roaming.

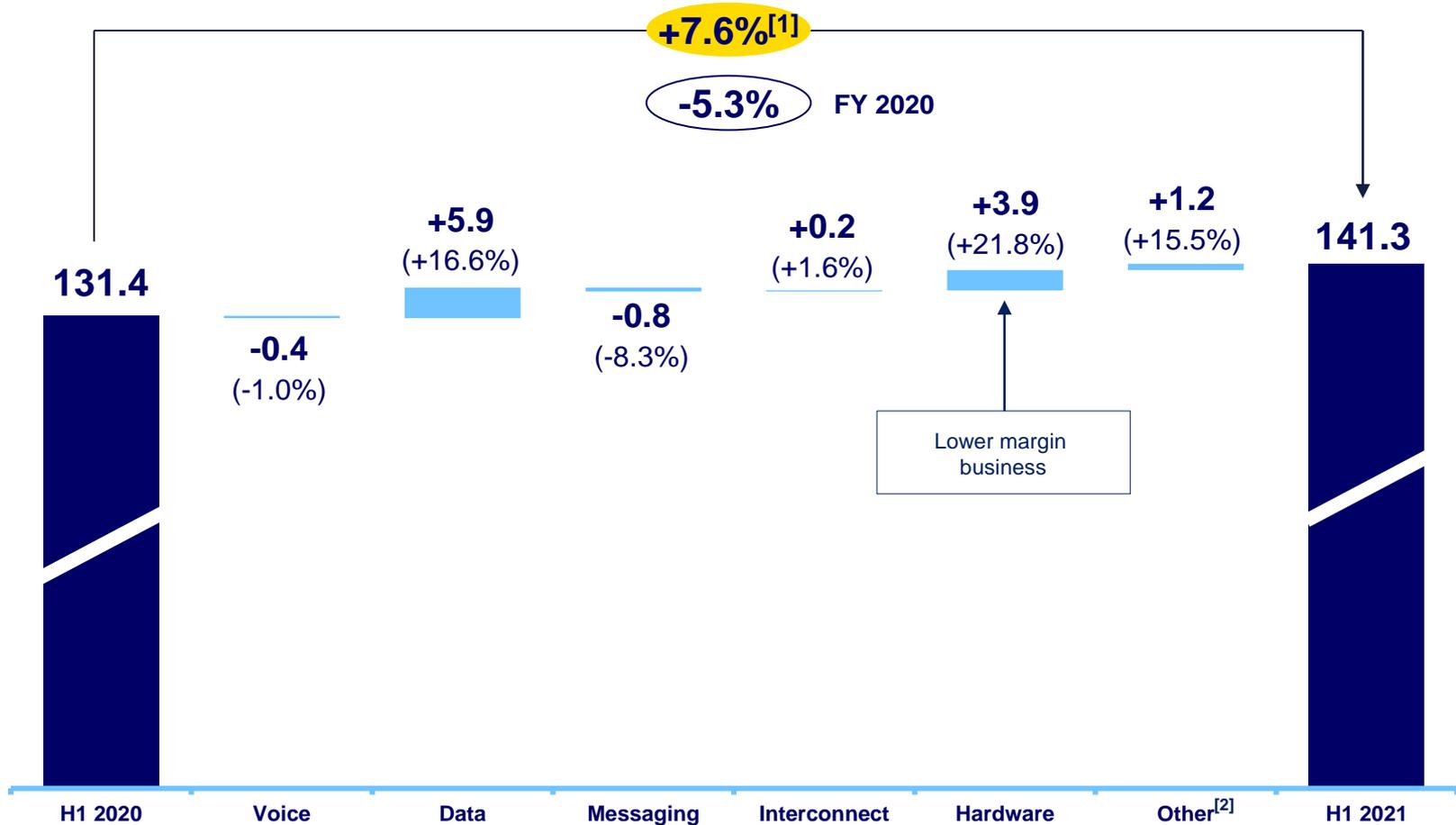




After decline in 2020 ...

...Slovak mobile revenue is recovering

EUR millions
(% change y-o-y)



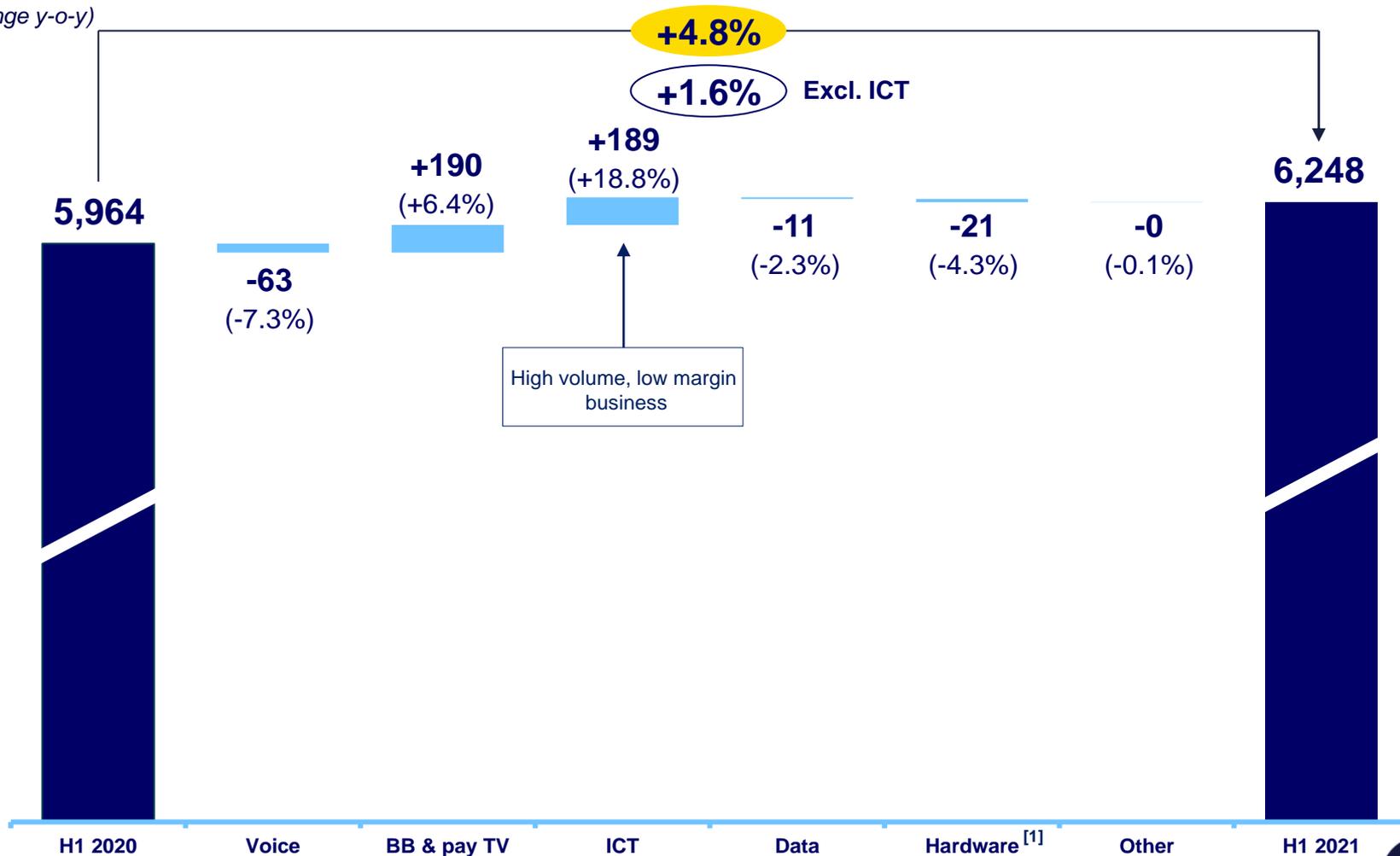
11 ^[1] Growth rate in EUR, Total Slovak revenue (incl. fixed business revenue): +8.9% y-o-y in EUR, +6.9% y-o-y in CZK, ^[2] Including other non-service revenue.





Slight increase in fixed revenue excluding ICT... ...pay TV keeps growing

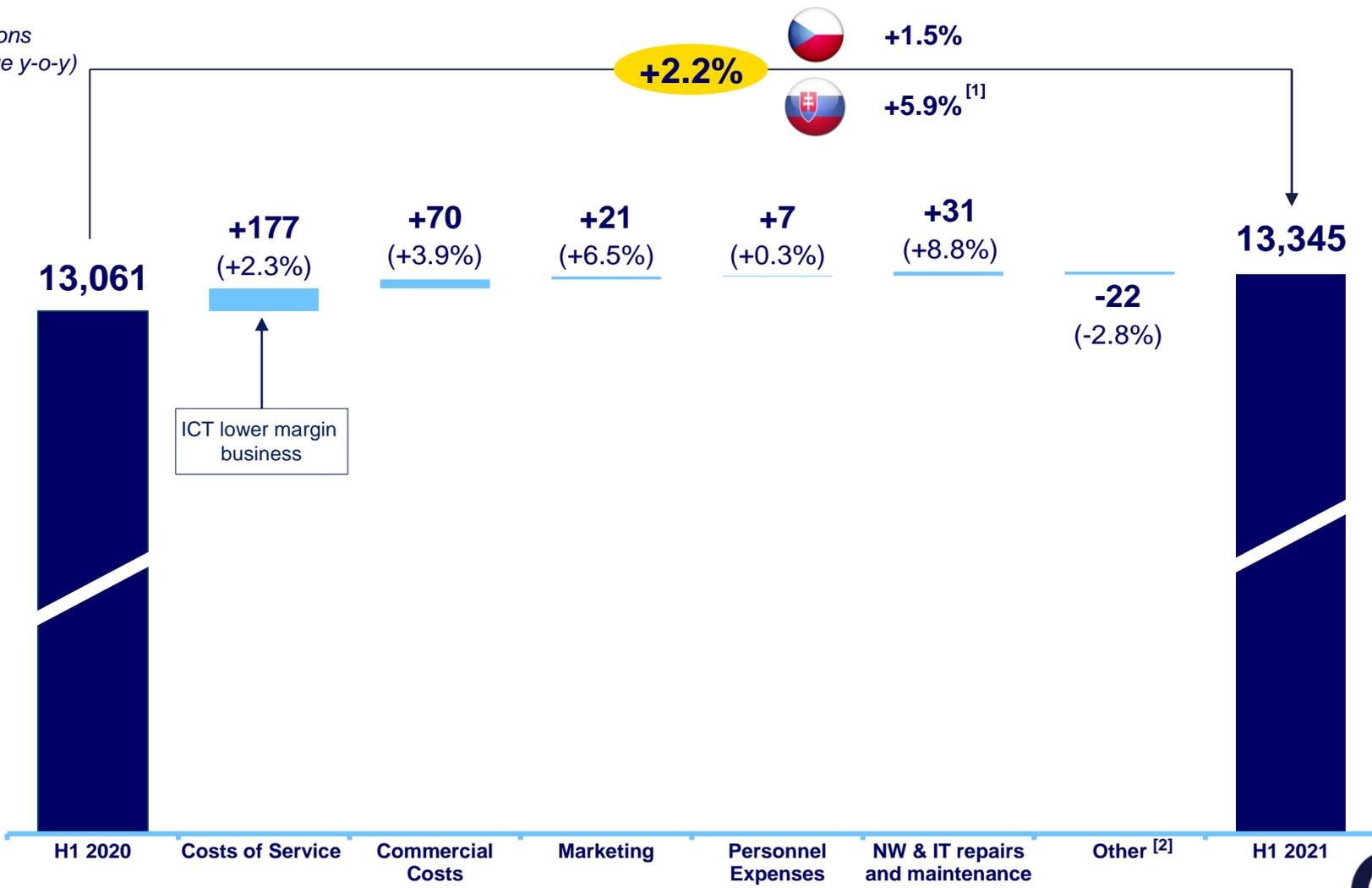
CZK millions
(% change y-o-y)





Underlying cost base is under control... ...higher cost mainly due to SK and ICT projects

CZK millions
(% change y-o-y)



ICT lower margin business

+2.2%

+1.5%
+5.9%^[1]

^[1] Growth rate in EUR. ^[2] Taxes other than income taxes, bad debt provisions, rentals, buildings, vehicles, consumables, consultancy, billing, collection, call centers, management fees and other; including internal expenses capitalized in fixed assets.



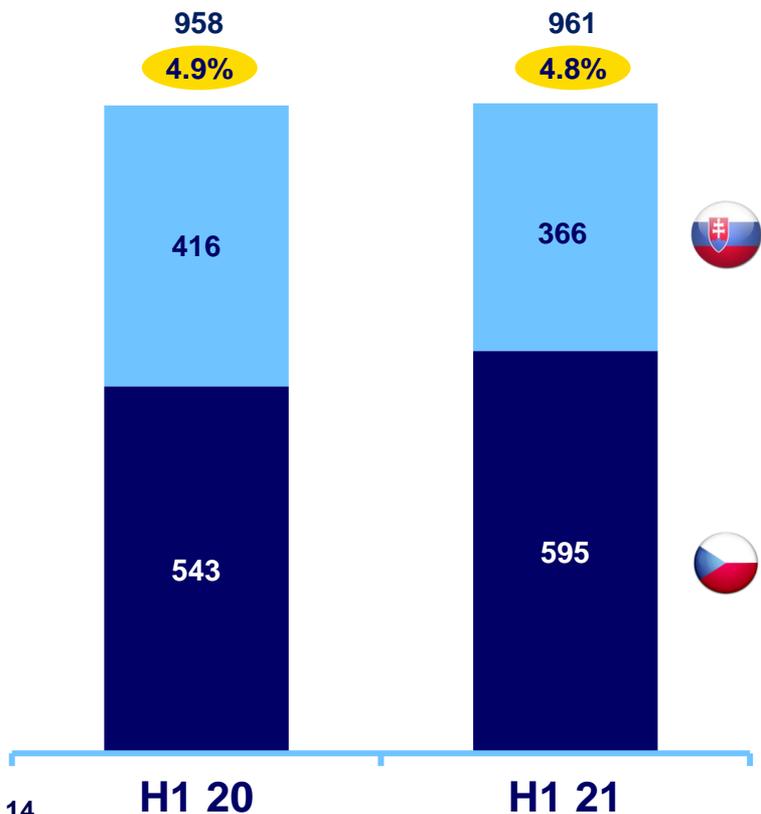


Strategic assets acquired in 2020...

...gradually impacting P&L and CF

CZK millions

CAPEX/
Revenue



Accounting treatment of strategic assets

	BS (Assets)	P&L (D&A)	CF
O2 Brand	✓	✓	1/2: ✓ 1/2: 2029 -2035
CZ spectrum	✓	Not yet	✓
SK spectrum	✓	✓	3/4: ✓ 1/4: Q1 2022

- CZ: Directed mainly into IT development
- After Q1 with a lower CAPEX intensity, Q2 with gradual increase especially in SK (Radio Access Network swap & 5G deployment)





Balance sheet

Group balance sheet

<i>CZK millions</i>	31 Dec 2020	30 Jun 2021	30 Jun 21 /31 Dec 20
Non-current assets	29,285	27,773	-5.2%
- of which intangible assets	17,520	16,265	-7.2%
- of which property, plant & equipment	6,176	5,836	-5.5%
- of which right-of-use assets ^[1]	3,368	3,295	-2.2%
Current assets	11,116	14,408	+29.6%
- of which cash & cash equivalents	3,922	6,441	+64.2%
Total assets	40,401	42,181	+4.4%
Equity	13,786	10,453	-24.2%
Non-current liabilities	17,651	16,149	-8.5%
- of which financial debt	13,084	12,091	-7.6%
- of which lease liability ^[1]	2,885	2,758	-4.4%
Current liabilities	8,964	15,579	+73.8%
- of which financial debt	75	1,380	+1,740.0%
- of which lease liability ^[1]	659	724	+9.9%

Shareholder remuneration^[2]



Squeeze-out of minority shareholders

- **The intention to initiate the squeeze-out procedure was announced by PPF Telco B.V. in June**
- **The process is driven by the major shareholder PPF Telco B.V.**
- **Involvement of O2 is strictly limited to actions required by the Czech law (Act No. 90/2012 Coll., on Business Corporations)**
- **Notably, O2 Board of Directors has to convene the General Meeting within a given time period. We have not received such a request yet.**

