

The background of the slide is a dynamic splash of water against a dark blue gradient. The water is captured in mid-air, with numerous bubbles and droplets of varying sizes. The lighting highlights the texture and movement of the water, creating a sense of freshness and energy.

O2 Czech Republic, a. s.
27th July 2018

Quarterly Results January – June 2018

O₂

Cautionary statement

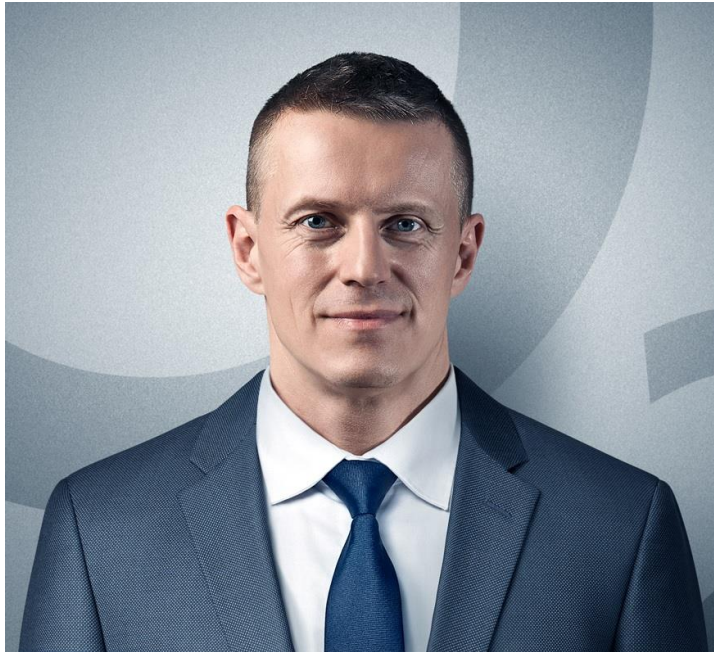
Any forward-looking statements concerning future economic and financial performance of O2 Czech Republic a.s. contained in this Presentation are based on assumptions and expectations of the future development of factors having material influence on the future economic and financial performance of O2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



Strategic commercial initiatives & Performance Highlights

The most popular sports content exclusively on O₂ TVwith unique features and bundled in packages

Best exclusive sport content



Unique technology and features



Recording



Timeshift



Menu



4 devices



Selection of
matches



Multi-angle
camera viewing

Included in all bundles



Best customer experience



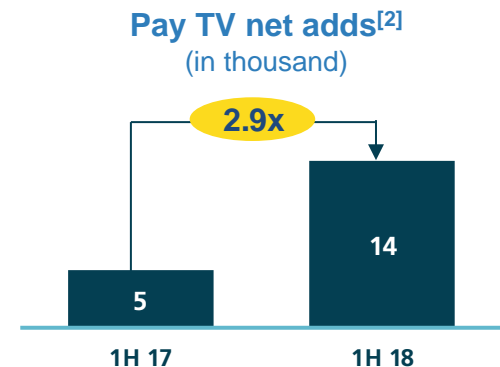
Growing demand for new packages and tariffs... ...driving mobile data traffic uptake; growing Pay TV base



- new mobile data tariffs for heavy users (5GB/10GB/20GB)
- ...for all customer segments
- ...growing LTE hardware penetration...
- ... close to 120% y-o-y growth in mobile network traffic

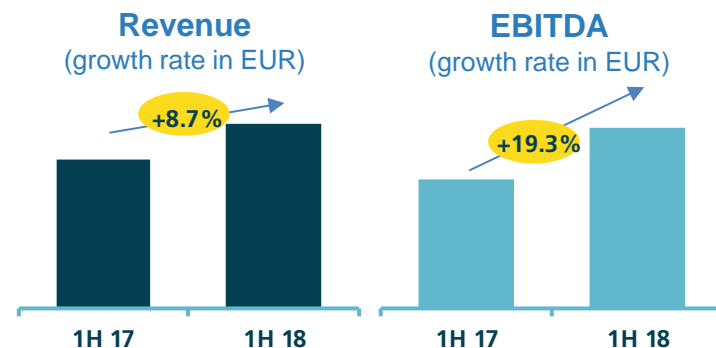


- O₂ TV base growth maintained...
- ...+11% y-o-y to 287k^[2]
- ...helped by bundled proposition...
- ...and exclusive sport content



Strong operational and financial performance in Slovakia... ...4% mobile ARPU growth driven by 12% data revenue uptake

- **growing customer base** (+4% y-o-y to 1,975k)
- **improving customer mix** (61% postpaid, +2,8 p.p. y-o-y)
- **postpaid ARPU +3% y-o-y^[2]**
- **fixed home BB via LTE TDD (3.5/3.7 GHz) & nation-wide 4G LTE (800/1800 MHz), 94% coverage**
- **LTE handset sales & upsell to rich data tariffs...**
- **mobile data base: +12%, traffic: +89%**
- **revenue growth driven by data & hardware**
- **strong & growing profitability...**
- **...EBITDA margin: 35.7%^[3], + 3.1 p.p. y-o-y**





Financial Performance
January – June 2018

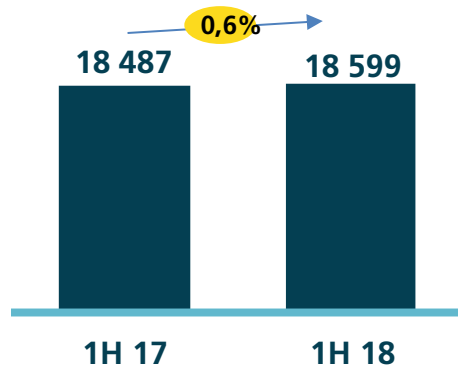
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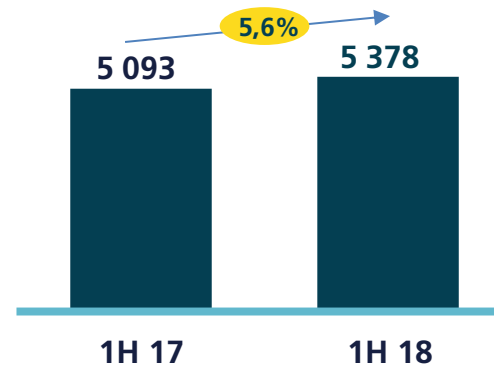
New proposition & Slovakia help to maintain flat revenue y-o-y... ...growing EBITDA on the back of strict cost control

<i>CZK millions</i>	Jan-Jun 2018 ^[1]	<i>Change 1H18 /1H17</i>
Operating Revenue	18,599	+0.6%
CZ Fixed	5,146	
CZ Mobile	9,968	
Slovakia	3,597	
EBITDA	5,378	+5.6%
<i>EBITDA margin</i>	28.9%	
Net Income	2,776	+5.4%
Free Cash Flow	2,028	

Operating Revenue



EBITDA

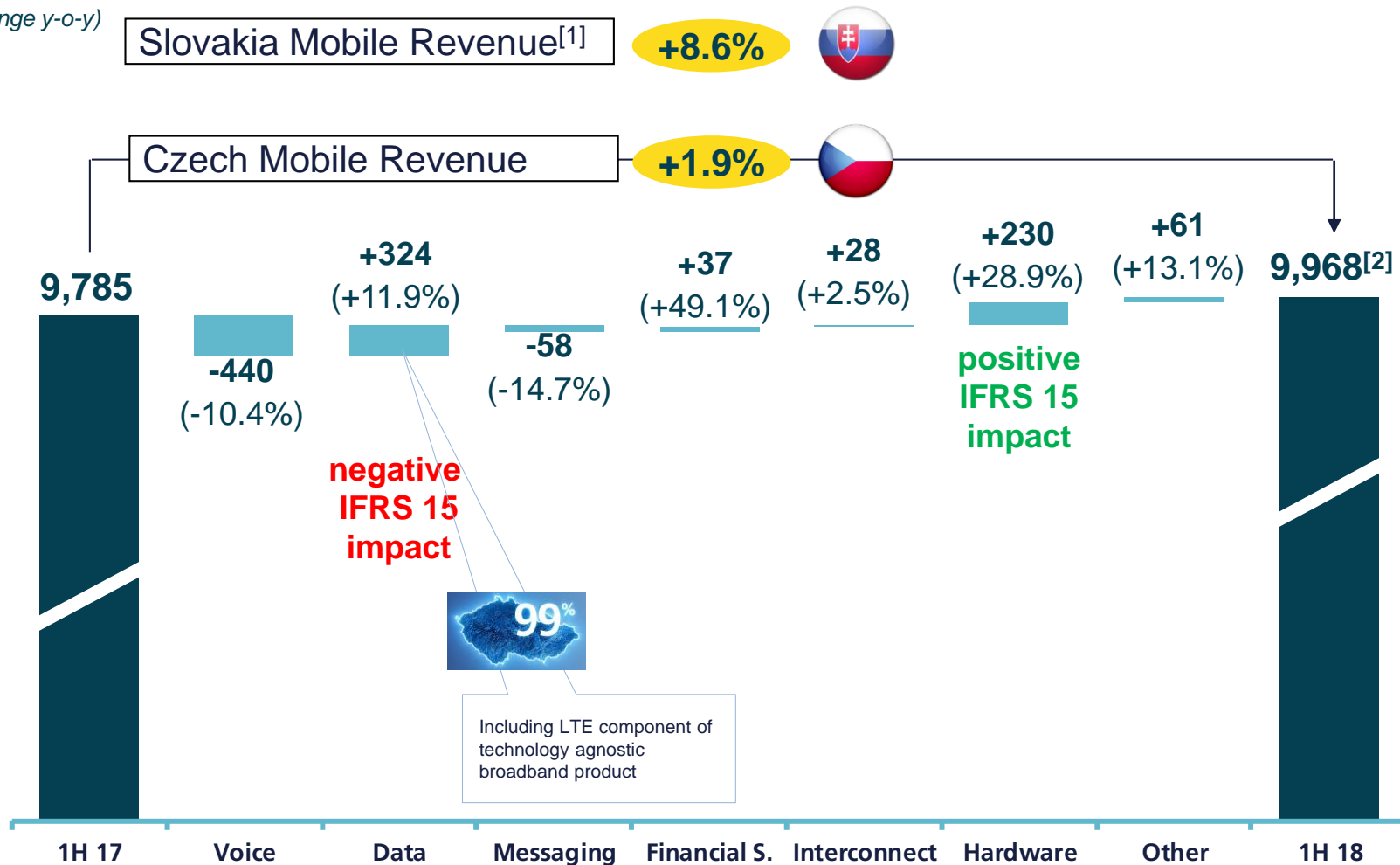


^[1] including IFRS 15; CZK 47 million positive net income effect of IFRS 15



Double digit growth of data, financial services, and HW revenuemore than compensating roaming abroad & B2B pricing impact

CZK millions
(% change y-o-y)

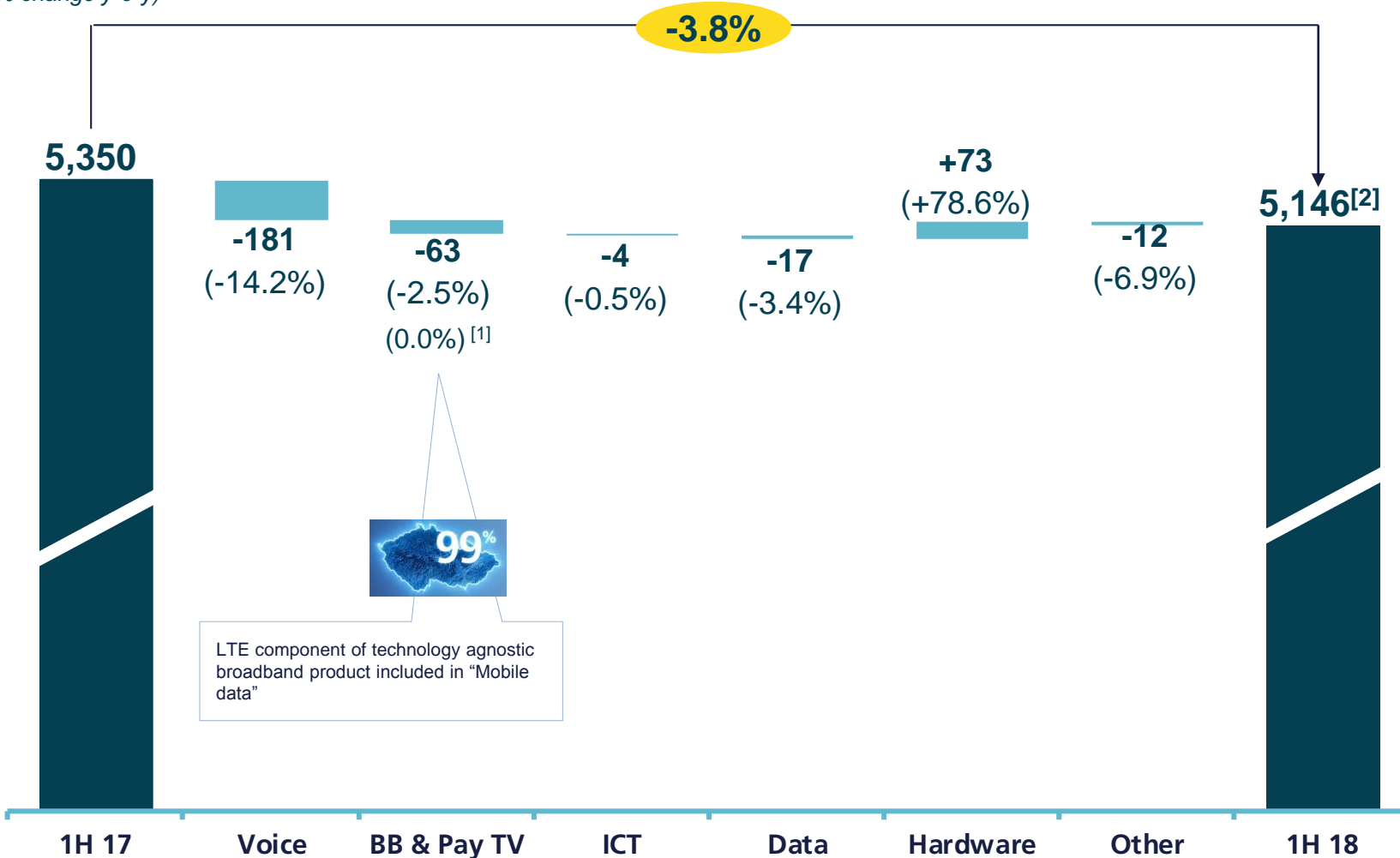


^[1] Key drivers: Data: +12%, Hardware: +27%; O2 Slovakia, growth rate in local currency (EUR); ^[2] CZK 4 million positive effect of IFRS 15



Fixed voice declining due to fixed to mobile substitution... ...traditional data under pressure

CZK millions
(% change y-o-y)

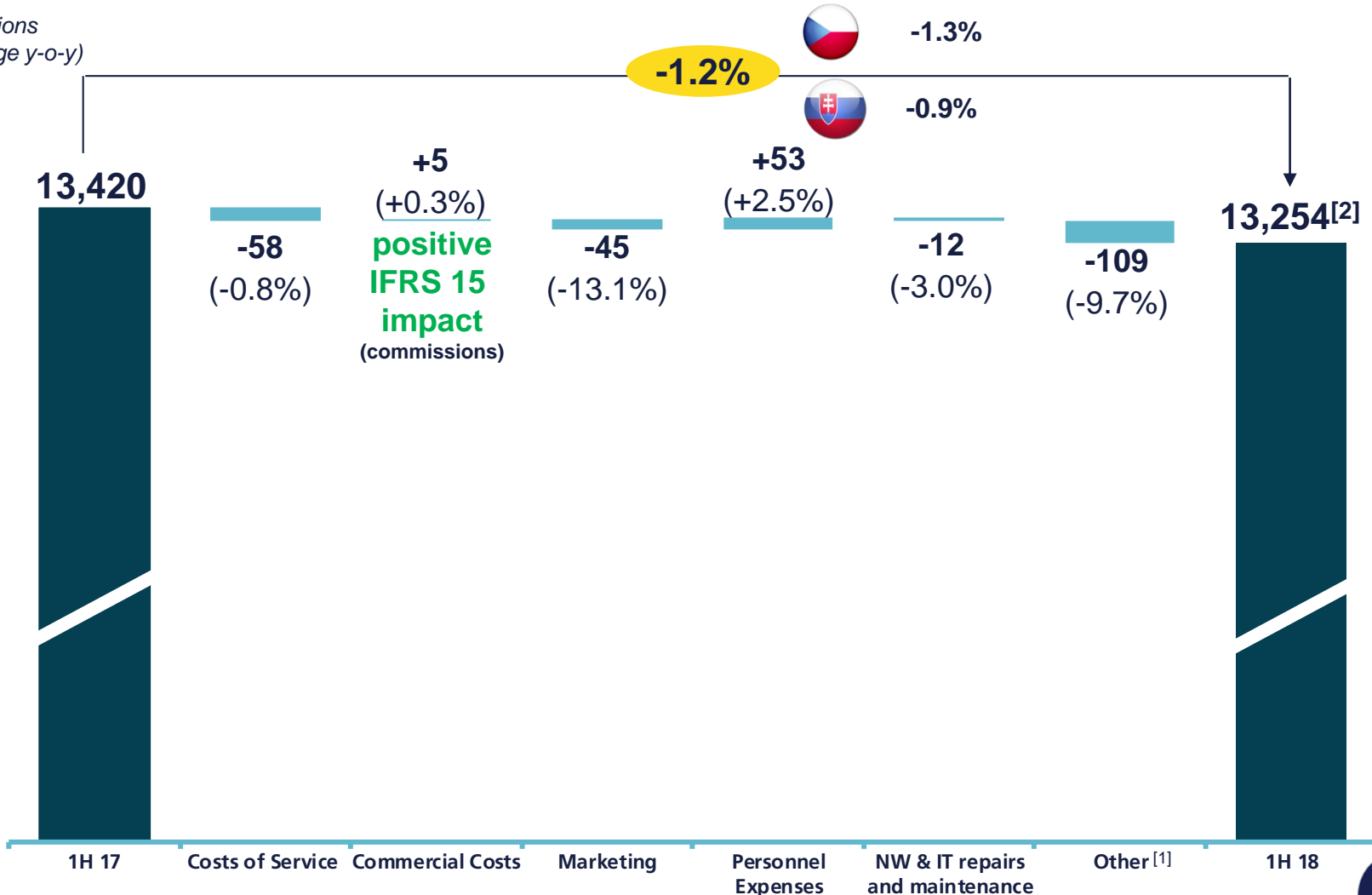




Cost base under control...

...with savings in Czech as well as in Slovakia

CZK millions
(% change y-o-y)



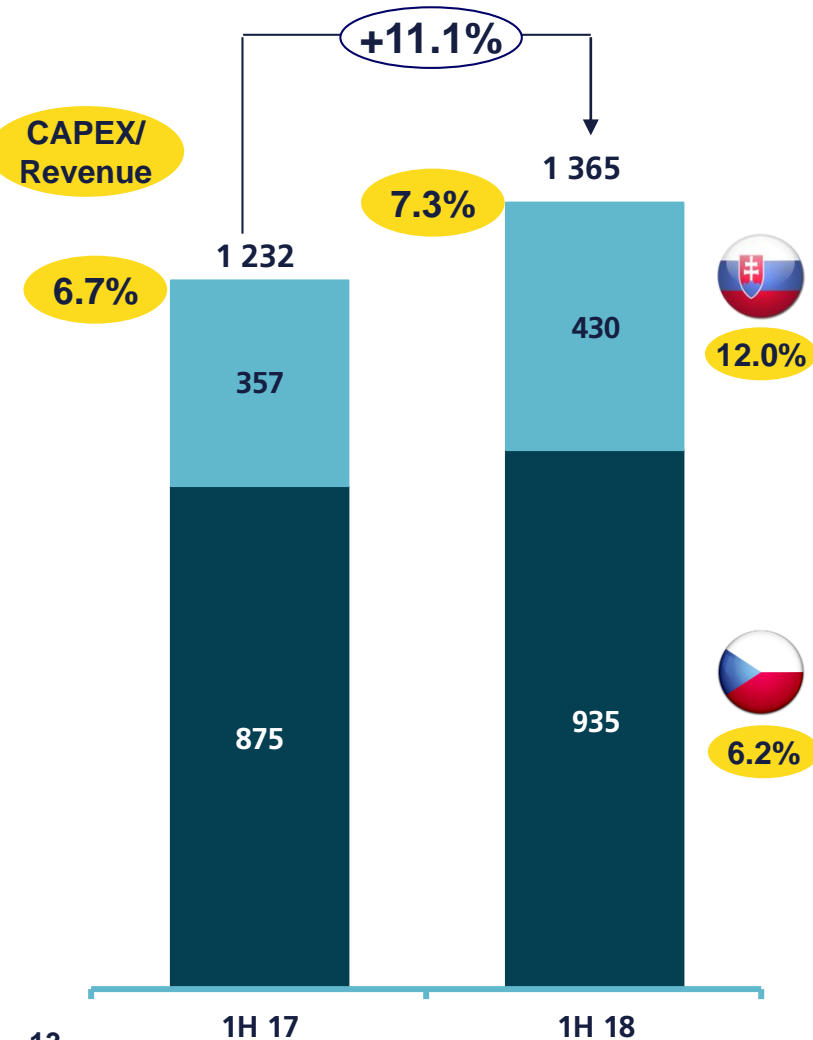
^[1] Taxes other than income taxes, provisions and fees, Rentals, Buildings, Vehicles, Consumables, Consultancy, Billing, Collection, Call Centers, management fees and other; including Internal expenses capitalized in fixed assets; ^[2] CZK 256 million positive effect of IFRS 15 (i.e. CZK 13,510 millions excluding IFRS 15 impact)





Capex up by 11% y-o-y... ...driven by mobile NW capacity in SK & IT transformation

CZK millions



Slovakia (+20.5% y-o-y):

- Mobile NW capacity (transmission, backbone)
- 2G NW expansion to reduce national roaming

Czech Republic (+6.8% y-o-y):

- IT transformation (also in 2H 2018)
- Mobile core NW upgrade
- Retail shops redesign



2017 shareholder remuneration approved at AGM... ...impacting cash, equity & liabilities

<i>CZK millions</i>	31 Dec 2017	30 June 2018	30 June 18 /31 Dec 17
Non-current assets	23,411	23,957	+2.3%
- of which intangible assets	16,815	16,576	-1.4%
- of which property, plant & equipment	5,636	5,744	+1.9%
Current assets	11,431	15,389	+34.6%
- of which cash & cash equivalents	4,088	7,322	+79.1%
Total assets	34,842	39,346	+3.2%
Equity	15,475	12,603	-18.6%
Non-current liabilities	10,887	12,338	+13.3%
- of which financial debt	10,448	11,662	+11.6%
Current liabilities	8,479	14,405	+69.9%





Back up

O₂

CZK 11.7bn debt utilized out of CZK 15.5bn capacity... ...Net Debt/EBITDA at low level, well below “up to 1.5x” guidance

CZK millions

