

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, creating a sense of movement and freshness. The lighting highlights the transparency and texture of the water.

O2 Czech Republic, a. s.
1st November 2019

Quarterly Results January – September 2019

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



Extensive customers' interest in the new commercial proposition... ...complemented by unlimited mobile data & new sport content

Boosted data packages

FREE+

 FREE+ Modrý 1 GB <small>Neomezené volání a SMS Sleva na telefony O₂ Security na měsíc zdarma</small> 499 Kč	 FREE+ Bronzový 4 GB <small>Neomezené volání a SMS Sleva na telefony O₂ Security na měsíc zdarma</small> 649 Kč	 FREE+ Stříbrný 14 GB <small>Neomezené volání a SMS Sleva na telefony O₂ Security na měsíc zdarma 50 Kč měsíčně do O₂ Knihovny</small> 849 Kč	 FREE+ Zlatý 60 GB <small>Neomezené volání a SMS Sleva na telefony O₂ Security na měsíc zdarma 50 Kč měsíčně do O₂ Knihovny 300 minut volání do zahraničí</small> 1249 Kč
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Best exclusive sport offer in the market

Flexible unlimited data tariffs

NEO

 NEO Bronzový <small>Neomezená data, volání a SMS Sleva na telefony O₂ Security na měsíc zdarma 50 Kč měsíčně do O₂ Knihovny</small> Rychlost Optimal 5 Mb/s 1099 Kč	 NEO Stříbrný <small>Neomezená data, volání a SMS Sleva na telefony O₂ Security na měsíc zdarma 50 Kč měsíčně do O₂ Knihovny</small> Rychlost Super 20 Mb/s 1299 Kč	 NEO Zlatý <small>Neomezená data, volání a SMS Sleva na telefony O₂ Security na měsíc zdarma 50 Kč měsíčně do O₂ Knihovny</small> Rychlost Max 4G+ až 300 Mb/s 1599 Kč	 NEO Platinový <small>Neomezená data, volání a SMS 1 GB dat v zóně Top svět 600 minut volání do zahraničí Sleva na telefony O₂ Security na měsíc zdarma 50 Kč měsíčně do O₂ Knihovny</small> Rychlost Max 4G+ až 300 Mb/s 2499 Kč
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Complemented by free HBO channel



+30% of new mobile tariffs sold are Unlimited



Mobile, O₂TV & Home BB bundled in flexible O₂ Spolu packages ...seizing further upsell opportunity



Sestavte si vlastní výhodný balíček



pro jednoho



pro dva



pro tři



pro čtyři

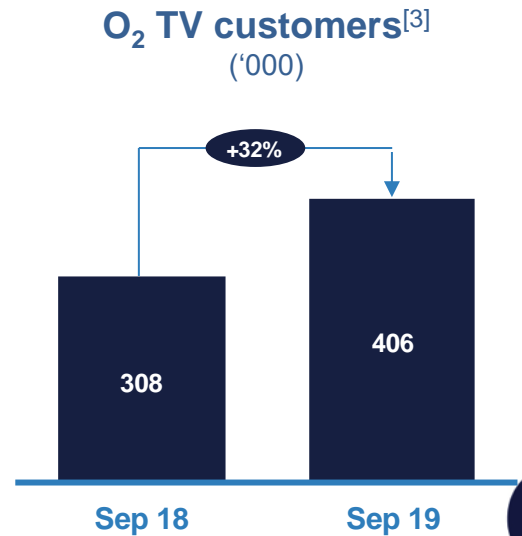
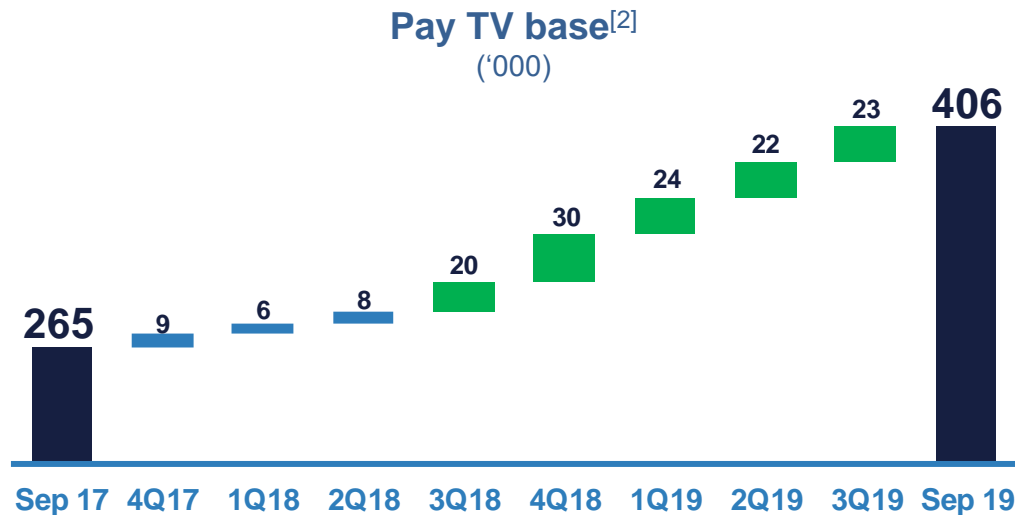
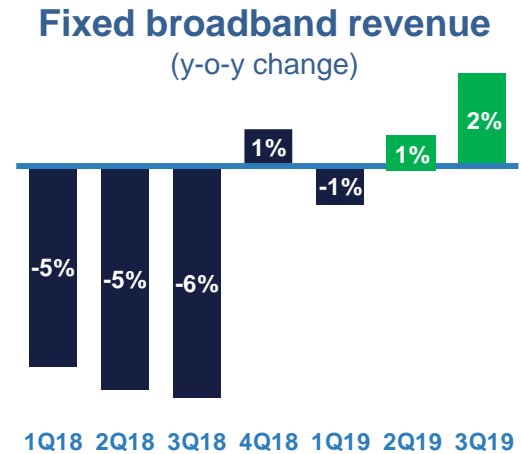
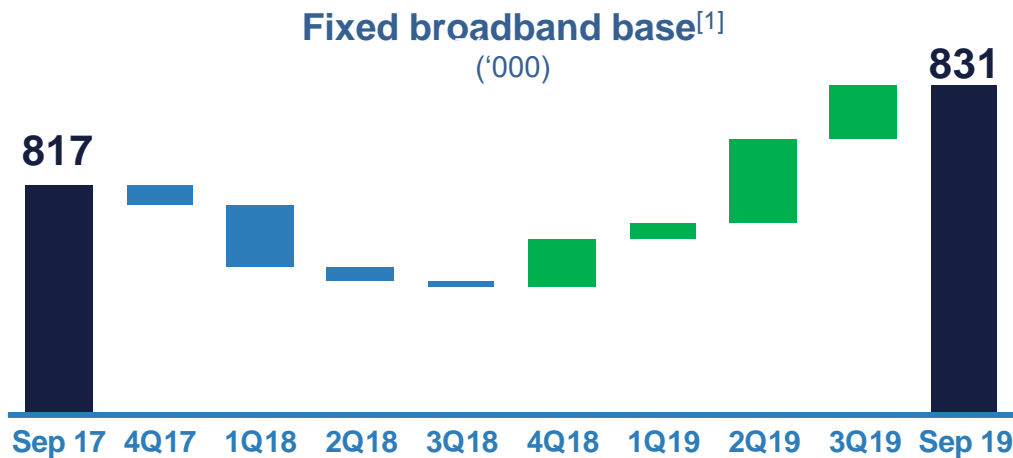
	1. Mobil	Neomezená data Neomezené volání a SMS	Rychlost 5 Mb/s	Změnit
	2. Mobil	14 GB dat Neomezené volání a SMS	Max. rychlost	Změnit
	3. Mobil	4 GB dat Neomezené volání a SMS	Max. rychlost	Změnit
	Digitální televize	63 TV kanálů + HBO navíc Objednejte nyní a získajte HBO do 1. 7. 2020		Změnit
	Internet na doma	až 20 Mb/s	Dostupný na 99 % adres Nejužívanější v ČR	Změnit





...strong sales performance seen maintained in Q3

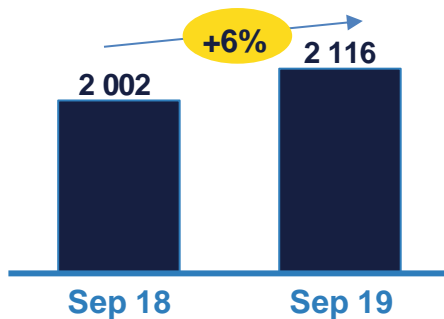
...both in Home broadband and Pay TV





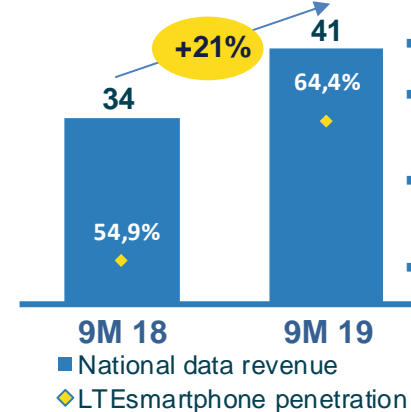
Growing revenues in Slovakia driven by strong data propositions... ...coupled with 4G LTE network footprint expansion

Growing customer base (total base in '000)



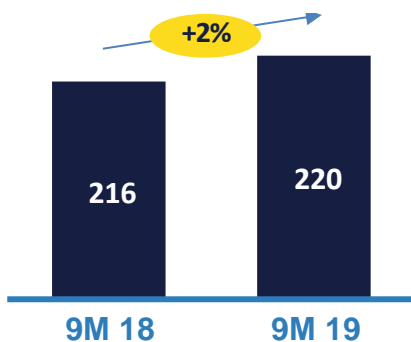
- 64% postpaid share (+2.9 p.p.)...
- ...with positive ARPU impact
- Accelerated growth of home BB

Growing data revenue (y-o-y in EURm)



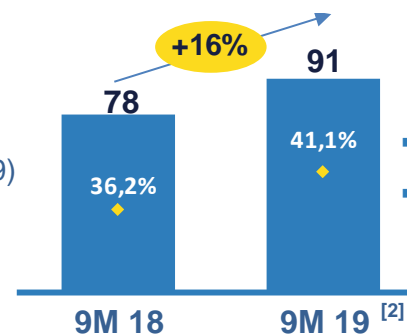
- Top end tariffs data volume boost
- 5GB try & buy for all customers via selfcare app (Q3 2019)
- Prepaid data portfolio refresh (Q3 2019)
- 4G LTE network coverage at 97.2%

Revenue (EUR millions)



- 3.4% ARPU growth y-o-y
- 33% cut in voice MTR^[1] (Q3 2019)
- Lower hardware revenue, in line with market dynamics

EBITDA/margin (EUR millions)



- National roaming costs savings...
- ...helped also by application of new IFRS 16

^[1] MTR: mobile termination rates (wholesale); ^[2] Including positive impact of IFRS 16; EBITDA growth +8% y-o-y excluding IFRS 16





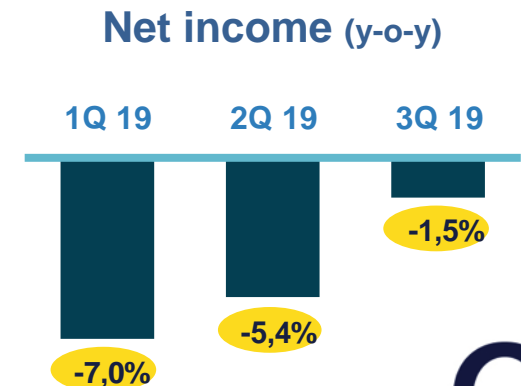
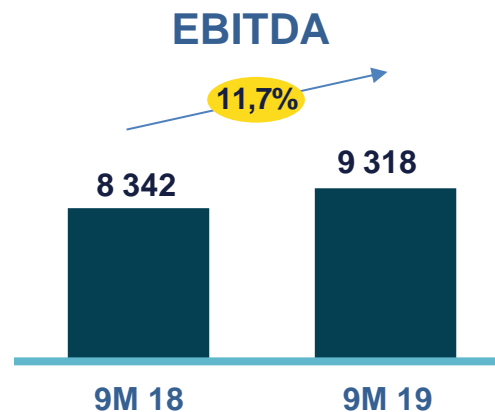
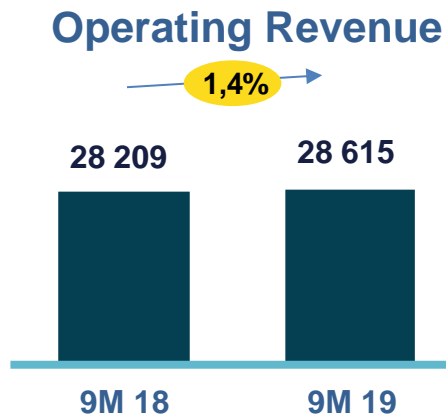
Financial performance
January – September 2019

O₂



Growing revenue helped by fixed broadband and O₂ TV... ...improving net income y-o-y trend helped by past investments

CZK millions	Jan - Sep 2019 ^[1]	Change 9M19 /9M18
Operating Revenue	28,615	+1.4%
CZ Fixed	8,123	
CZ Mobile	15,006	
Slovakia	5,665	
EBITDA	9,318	+11.7%
<i>EBITDA margin</i>	32.6%	
Net Income	4,023	-4.6%
Free Cash Flow	4,696	
CAPEX	1,726	-49.3%
CZ CAPEX	975	-63.6%
SK CAPEX	751	+3.1%

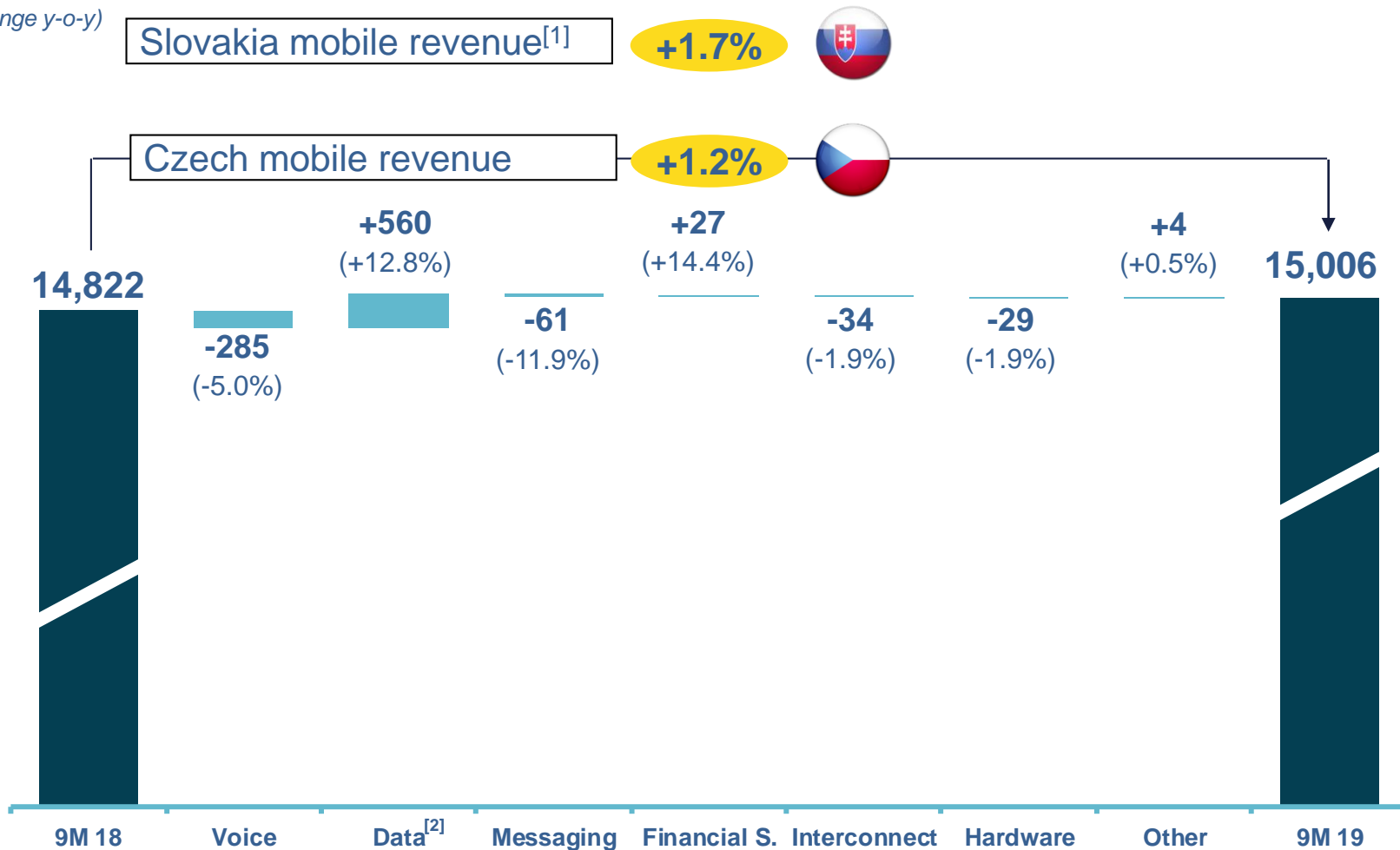


10 ^[1] Including IFRS 16 effect (CZK 570m positive EBITDA impact, CZK 29m negative net income impact); EBITDA: +4.9% y-o-y and net income: -3.9% y-o-y excluding IFRS 16



Double digit growth of mobile data and financial services... ...compensated lower voice, messaging and hardware revenue

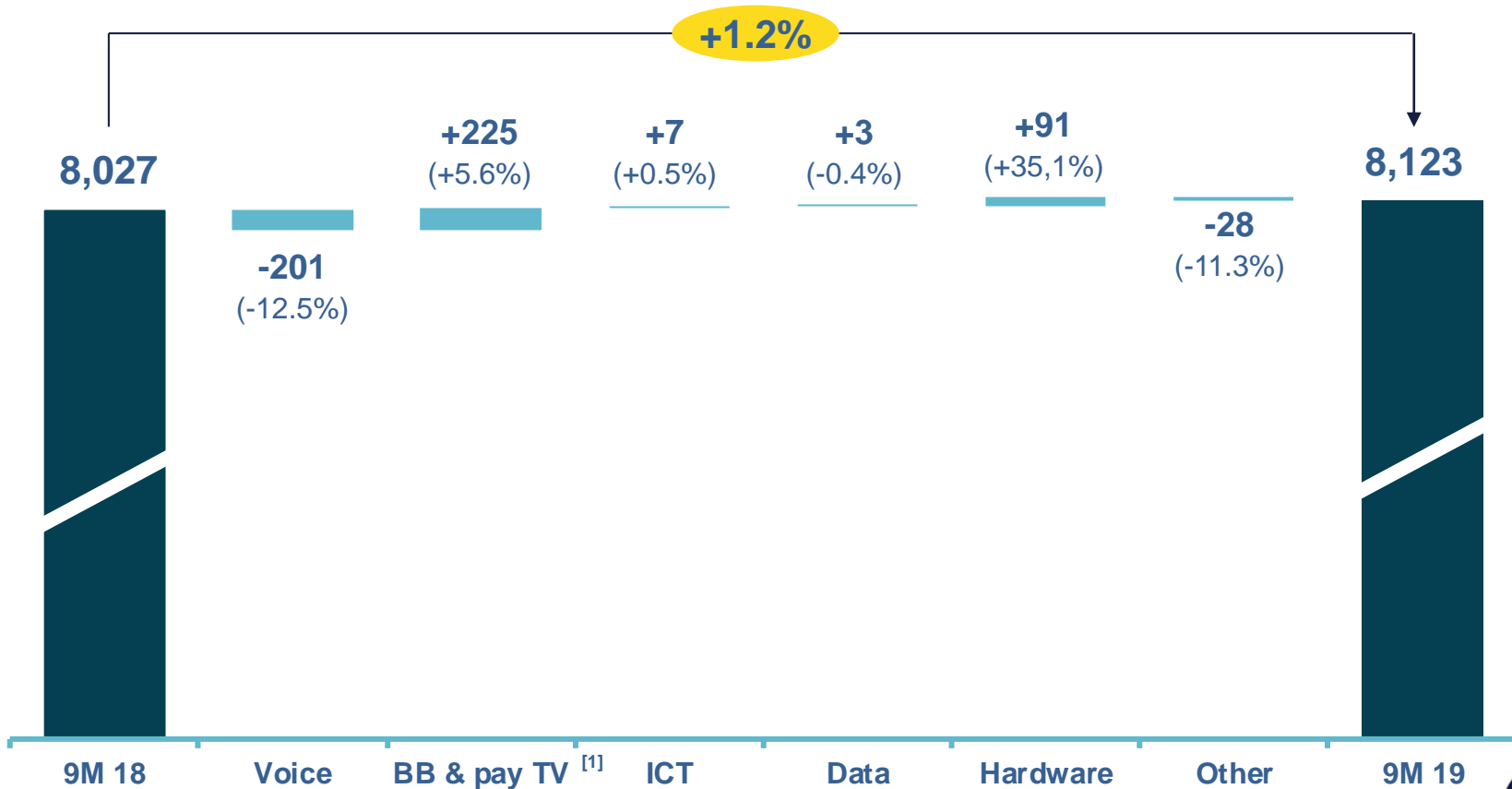
CZK millions
(% change y-o-y)





Growth of technology agnostic broadband & pay TV... ...more than compensated declining voice revenue

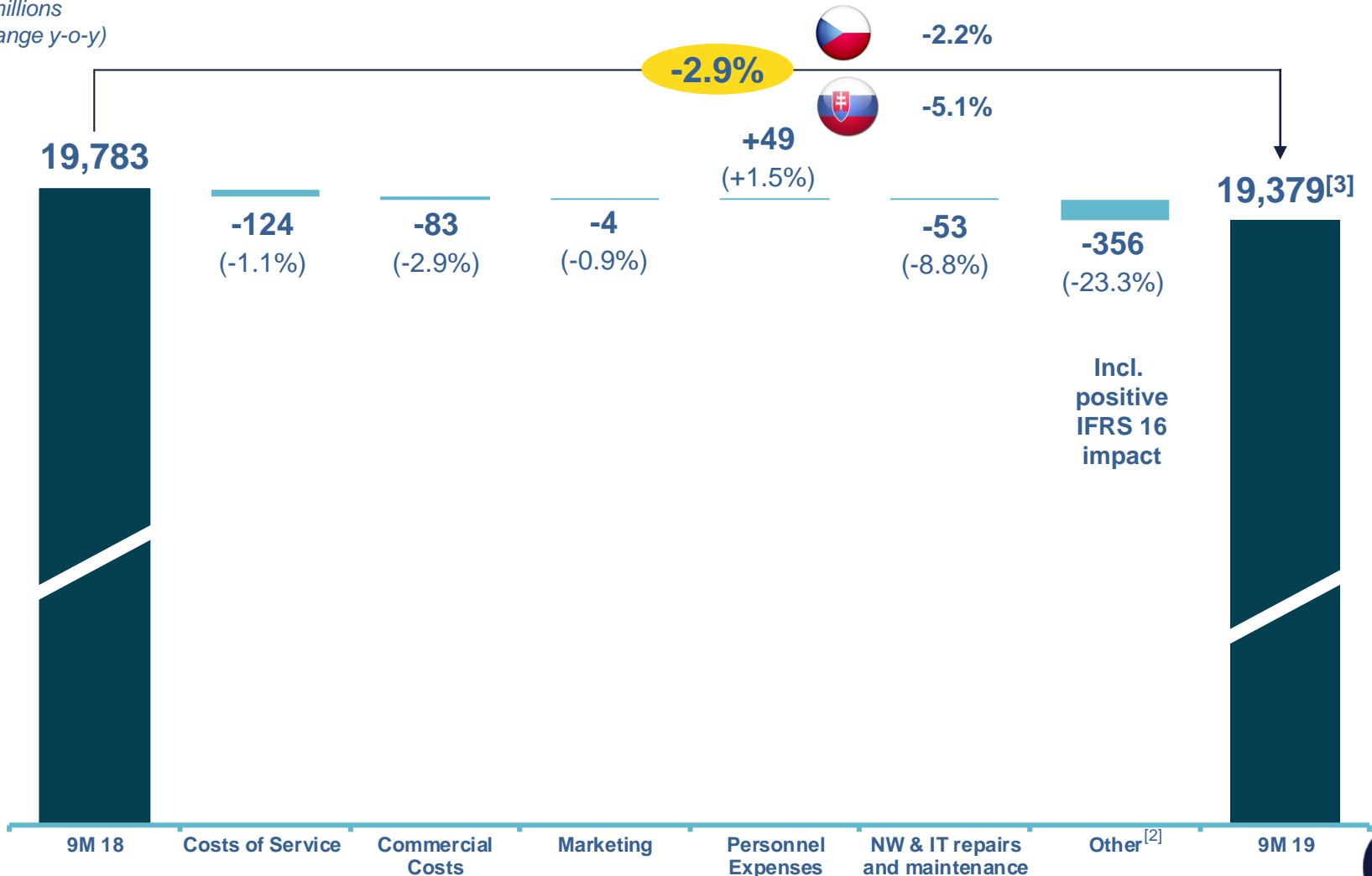
CZK millions
(% change y-o-y)





Underlying cost base^[1] is under management... ...with savings in both Czech Republic as well as Slovakia

CZK millions
(% change y-o-y)



^[1] +0.0% year-on-year excluding IFRS 16 positive impact; ^[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; ^[3] CZK 568 million positive effect of IFRS 16 (rentals, buildings, vehicles: CZK 438m, Fixed Costs of Service: CZK 130m)

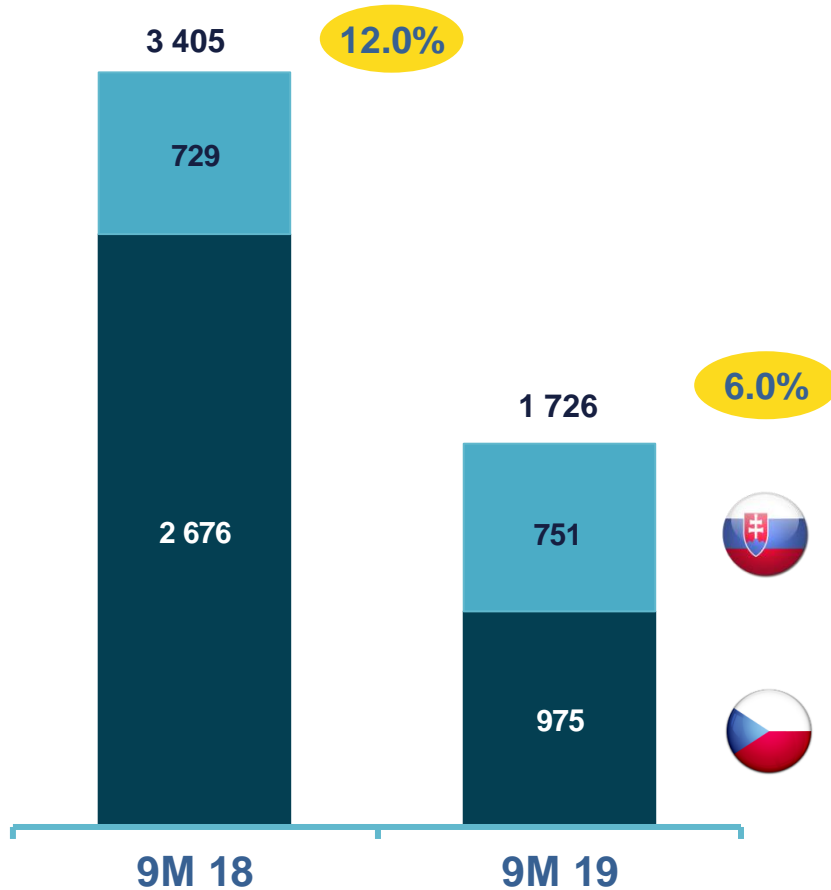




Light CAPEX profile in Czech Republic... ...continuous investments in mobile network in Slovakia

CZK millions

CAPEX/
Revenue



Slovakia

- >70% of CAPEX directed into **network**
 - 2G expansion to **reduce national roaming**
 - Mobile NW capacity (transmission) improvement
 - FWA NW rollout

Czech Republic

- IT upgrade
- Mobile core & new services (IPTV, FBB) NW
- New **sport content** (Premier Sport)





New EUR 160 million 5/7 years funding raised in Q2... ...2018 shareholder remuneration distributed in Q3

CZK millions	31 Dec 2018	30 Sep 2019	30 Sep 19 /31 Dec 18	
Non-current assets	25,190	28,015	+11.2%	
- of which intangible assets	17,164	15,889	-7.4%	
- of which property, plant & equipment	6,130	6,223	+1.5%	
- of which right-of-use assets ^[1]	-	4,100	<i>n.m.</i>	
Current assets	10,940	12,732	+16.4%	
- of which cash & cash equivalents	2,475	4,297	+73.6%	
Total assets	36,130	40,747	+12.8%	
Equity	15,225	12,879	-15.3%	Shareholder remuneration ^[2]
Non-current liabilities	12,083	19,250	+59.3%	
- of which financial debt	10,461	14,604	+39.6%	New debt ^[3]
- of which lease liability	-	3,476	<i>n.m.</i>	
Current liabilities	8,822	8,602	-2.5%	
- of which lease liability	-	718	<i>n.m.</i>	

15 ^[1] IFRS 16: lease payments capitalized to assets and corresponding lease liabilities (non-current & current); ^[2] 2018 shareholder remuneration (CZK 21 per share: dividend and share premium) declared in Q2 distributed in Q3; EUR 160 million ^[3] EUR 160 million (~ CZK 4.1 billion) 5/7 years "Schuldschein" funding raised in April 2019)



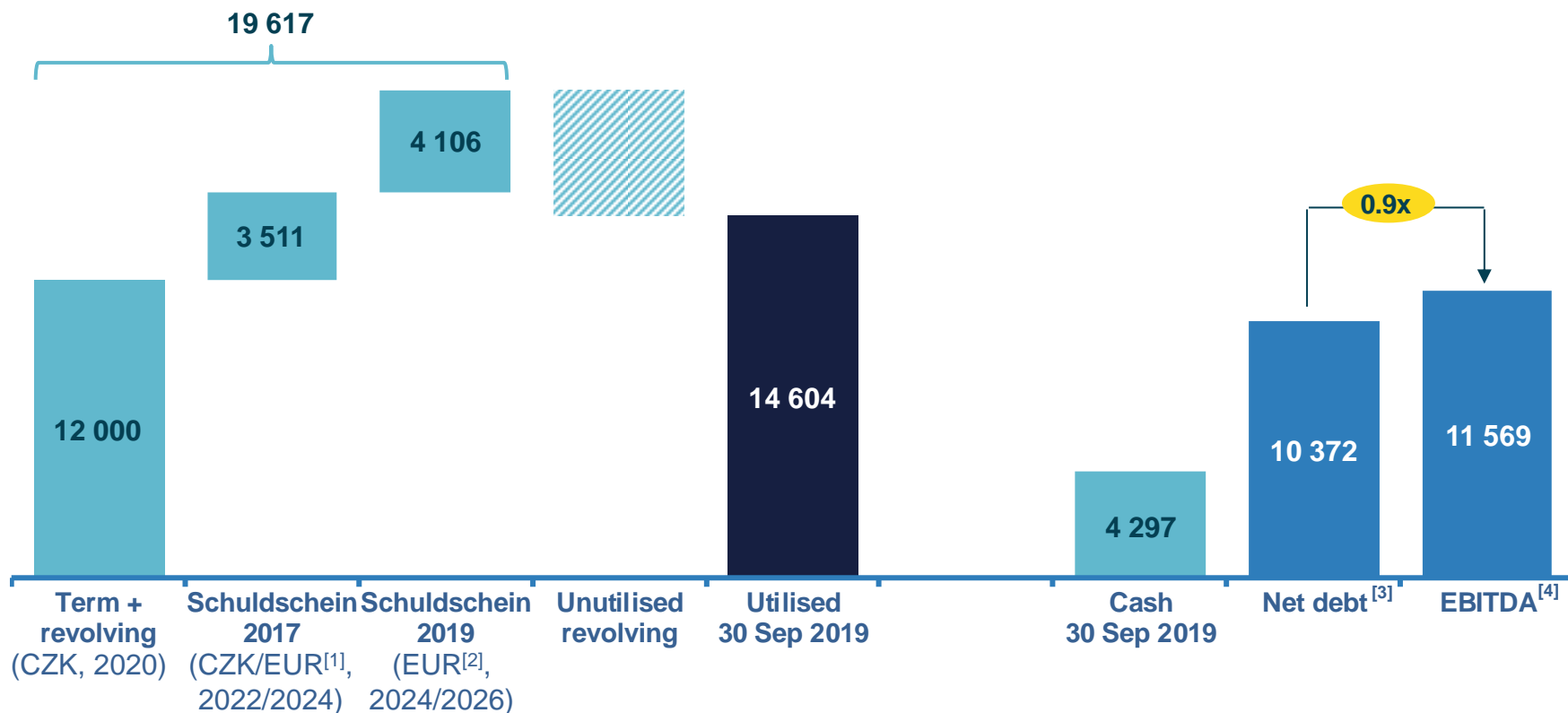
Net debt/EBITDA at 0.9x...

...new EUR 160 million 5/7 years funding raised in April 2019

CZK millions

Debt

Cash, Net Debt



16 ^[1] CZK 3,000m, EUR 20m; ^[2] EUR 160m; ^[3] Cash less financial debt (excluding IFRS 16 lease liability); ^[4] Twelve months EBITDA ending 30 June 2019 (excluding IFRS 16 impact in 9M 2019)

