

GRUPO MAS MOVIL



**Growing up
...to infinity and beyond**

February 2020

yoigo

MÁSMÓVIL

pepephone

llamaya*

LEBARA

Contents

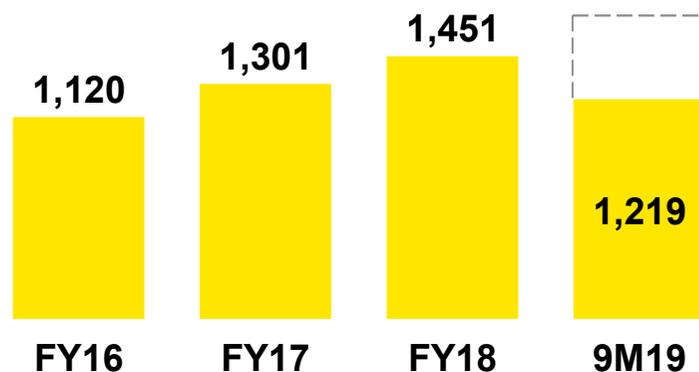
	1	MASMOVIL at a glance – from a start up to the 4th Spanish telecom
	2	Spanish telecom market continues to be one of the most attractive in Europe
	3	MASMOVIL has a unique history of profitable growth in the telecom sector...
	4	...driven by a distinctive value proposition, best-in-class customer experience and network structure
	5	MASMOVIL guidance: cost structure allows to convert growth into cash flow, ensuring high return on investment to shareholders

At a glance – MASMOVIL track record

MASMOVIL has become the 4th telecom operator in Spain

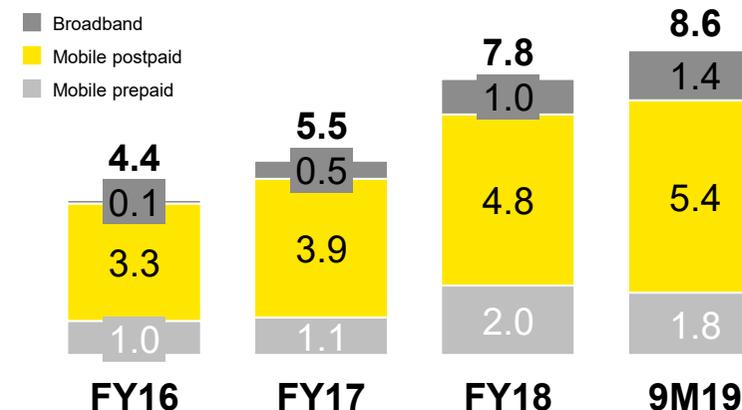
Total revenues evolution

M€



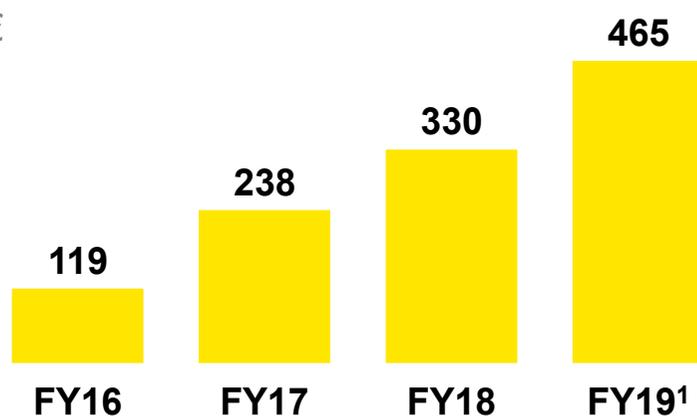
Subscribers evolution

M Lines



EBITDA Evolution

M€

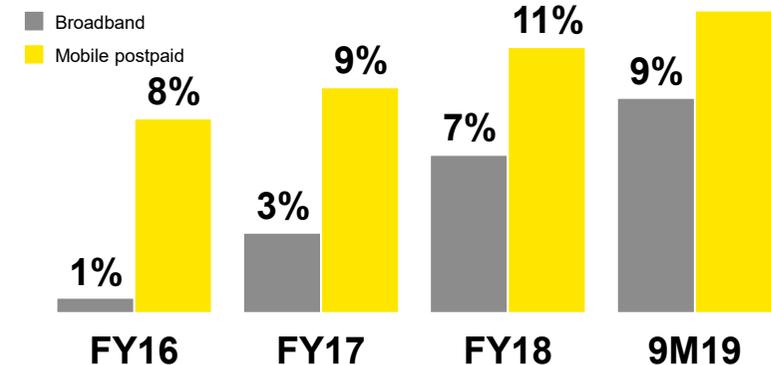


EBITDA margin, %

11% 18% 23% 27%

Mobile postpaid and BB market share

%



¹ Company Guidance
SOURCE: Company

At a glance - Our 3 pillars of success



Network owner

- ✓ **Mobile:** own network and NRA agreements providing highest coverage rate among peers (99%¹)
Orange agreement covers all of MASMOVIL's future 5G needs
- ✓ **FTTH:** footprint of 22 M Bus, out of which 60% are own or have usage rights



Our culture

- ✓ **Management team** with +100 years of telecom experience
- ✓ **Agility and simplicity in our core.** Start-up operating model



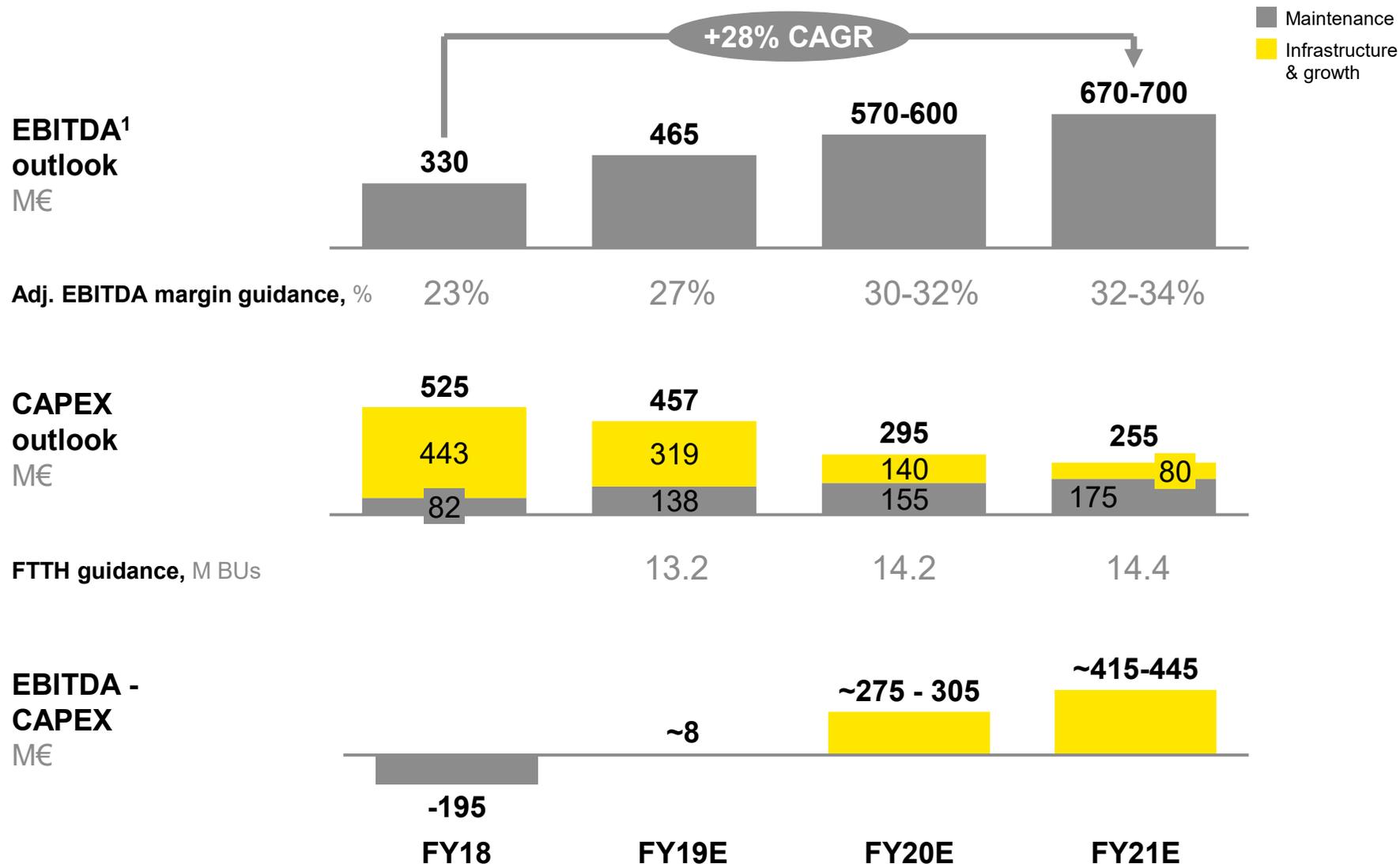
Customer experience

- ✓ **Best NPS (+30)** vs. negative values of peers
- ✓ **Respect for the client** with no price surprises and **flexible unbundled product model**
- ✓ **Robust channel offering:** self-service through **digital** and extensive **retail network** with own and third party distributors
- ✓ **Fast onboarding and end-to-end customer care Spain-based**

¹ Including coverage with Orange agreements

At a glance - EBITDA and CAPEX guidance 2019-21

Op. leverage enables to expand EBITDA margin to ~34% with declining net CAPEX



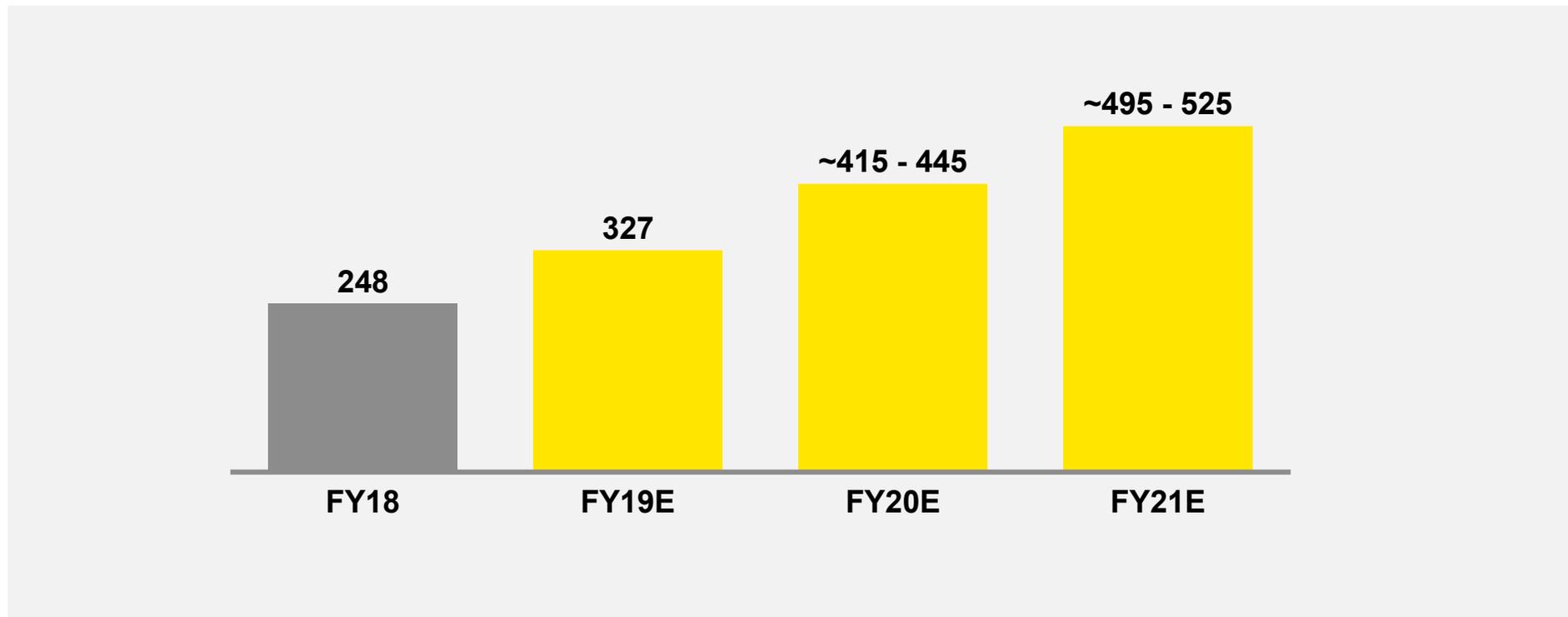
1 FY18 is pre-IFRS16. Following years are post-IFRS16

2 Includes churn related (replacement) commercial capex and maintenance infrastructure CAPEX

SOURCE: Company

At a glance – If looking at Op. CF, we will grow in cash generation

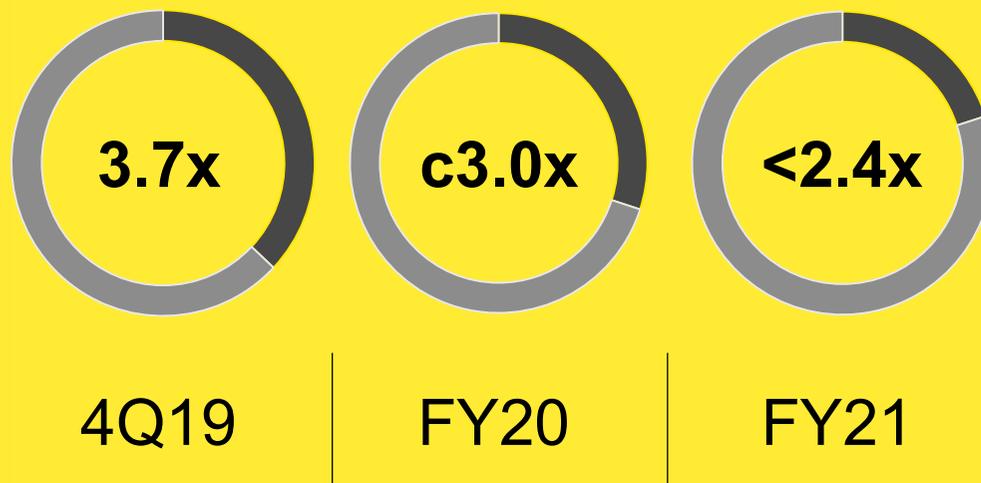
Op. CF ex-growth¹
M€



¹ EBITDA - Maintenance CAPEX

SOURCE: Company

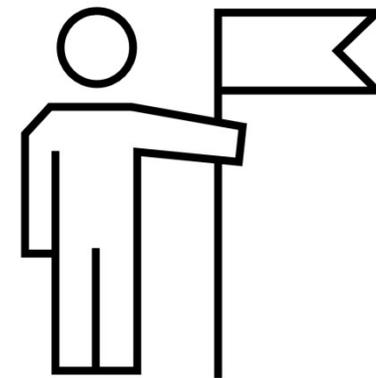
2019-2021 clear deleveraging Path



Based on Adj EBITDA guidance and without vendor
finance for FTTH agreement

SOURCE: Company

2021 equity Free Cash Flow target



>€2.0

per share

Contents

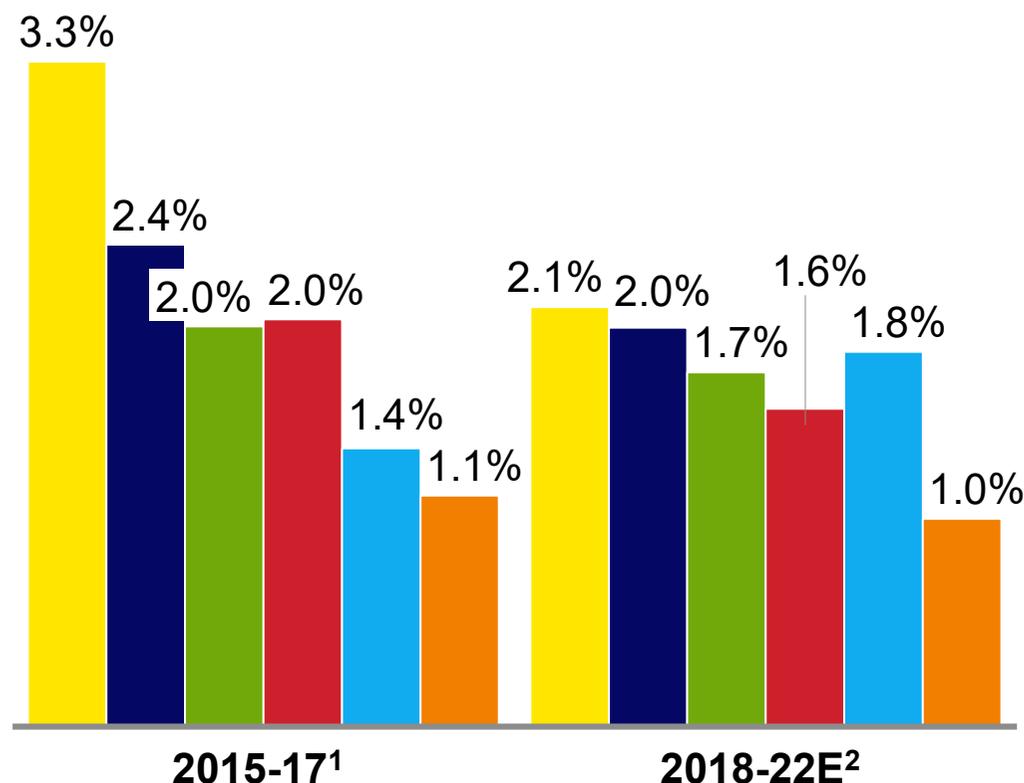
	1	MASMOVIL at a glance – from a start up to the 4 th Spanish telecom
	2	Spanish telecom market continues to be one of the most attractive in Europe
	3	MASMOVIL has a unique history of profitable growth in the telecom sector...
	4	...driven by a distinctive value proposition, best-in-class customer experience and network structure
	5	MASMOVIL guidance: cost structure allows to convert growth into cash flow, ensuring high return on investment to shareholders

Spanish GDP growth and economic environment

Spain economy remains healthy

■ Spain
 ■ European Union
 ■ Germany
 ■ United Kingdom
 ■ France
 ■ Italy

GDP growth



- **Fastest growing country** out of EU's 5 top economies both in recent years as well as in future forecasts
- **Growth engine** of the EU
- **#9 worldwide (#3 in EU) most open regulations** regarding investments
- **#13 most important recipient of foreign investment worldwide**
- **#12 most important investor in terms of investment stock worldwide**
- **Gateway to Latam** (>400 million Spanish speakers in Latam)

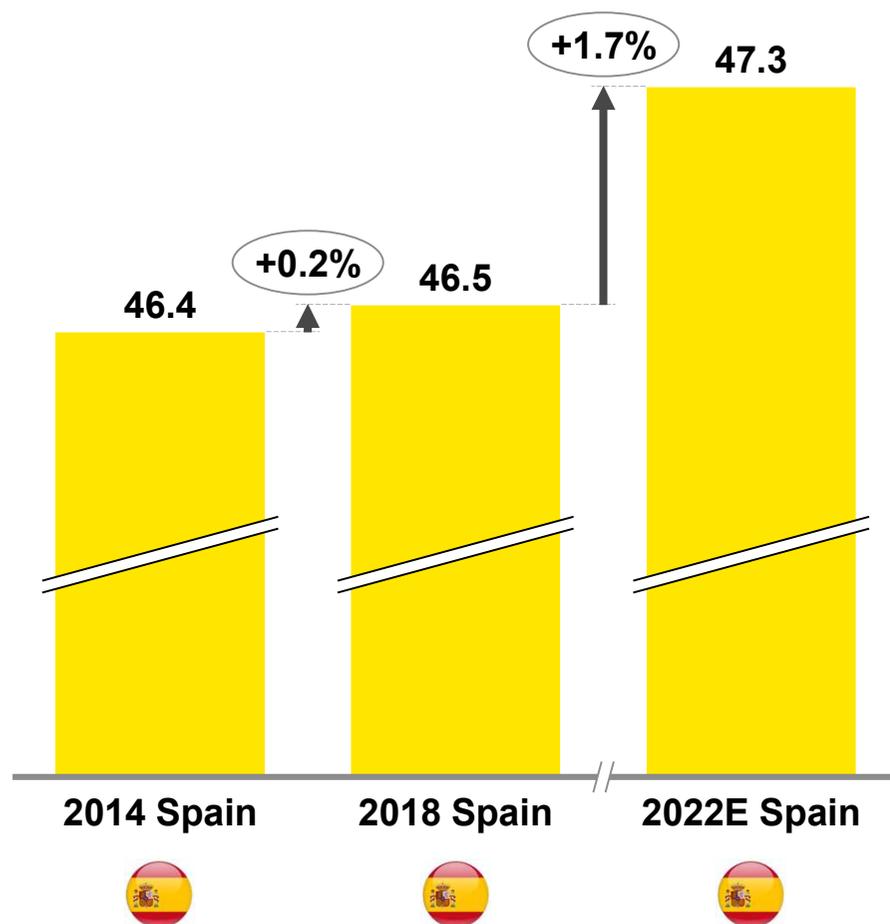
¹ Start of 2015 to EoP 2017; ² Start of 2018 to EoP 2022

SOURCE: IMF Data, ICEX "Spain your partner in Europe"

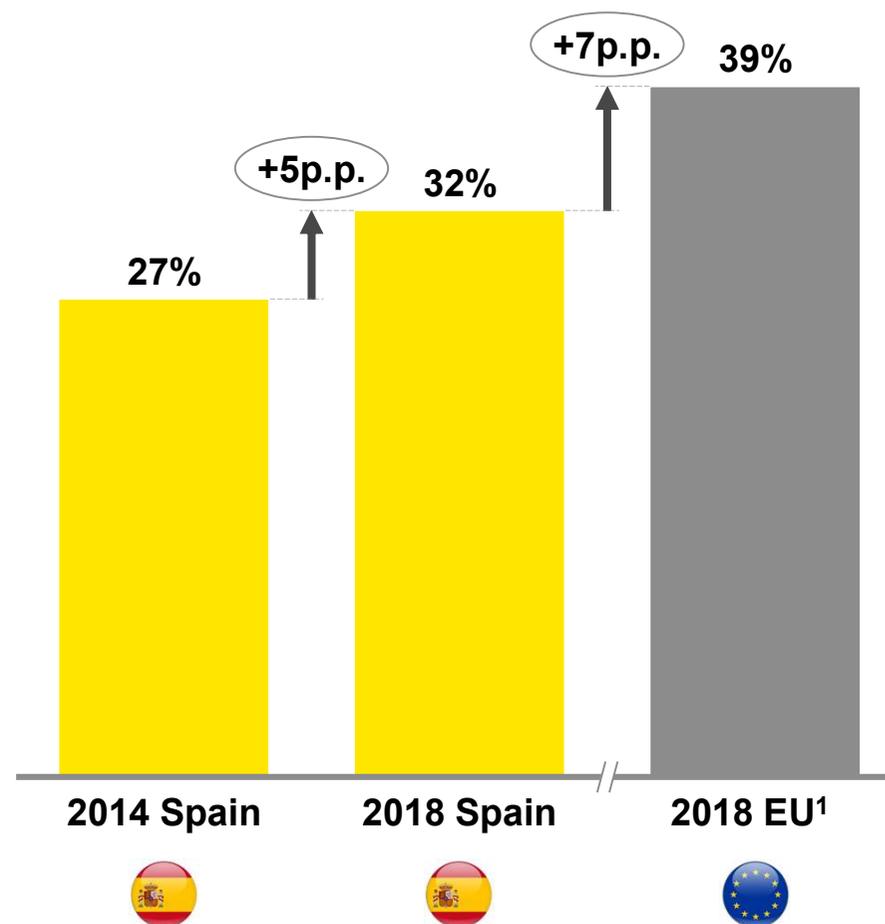
Broadband: Spanish market fundamentals

Spanish broadband market growth is driven by increase in population and increase in broadband penetration, still below EU average

Spanish population evolution,
M inhabitants



Spanish broadband market penetration evolution,
% of population



¹ Average of Germany, Italy, Spain, United Kingdom, France and Switzerland

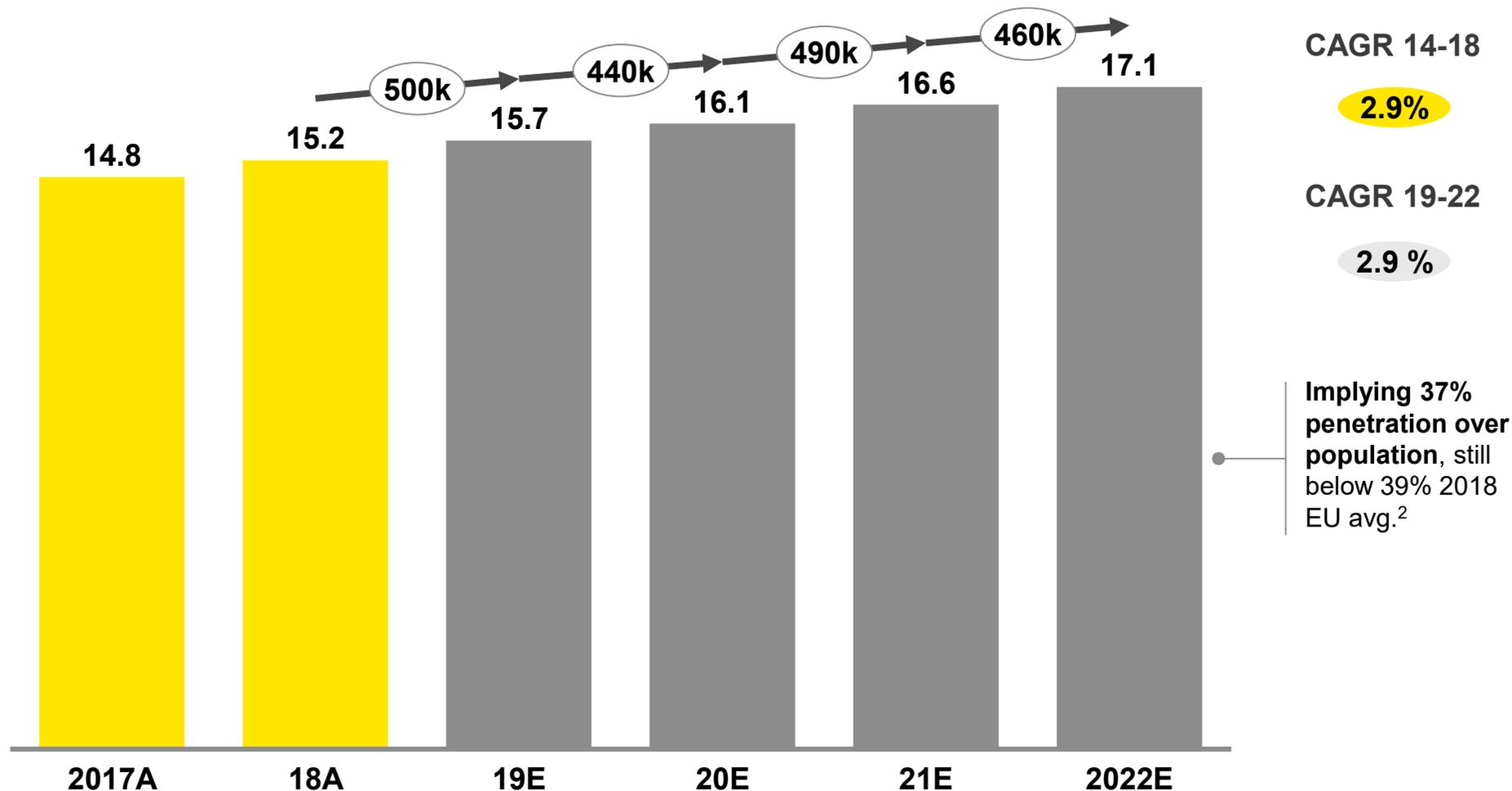
SOURCE: OECD, Statista

Broadband: Spanish market prospects

The Spanish broadband market is expected to add c. +450k new lines each year

Spanish broadband market forecast¹

M lines



¹ Analysys Mason data provides a more aggressive forecast with 4.7% CAGR for 19-22 period

² Average of Germany, Italy, Spain, United Kingdom, France and Switzerland

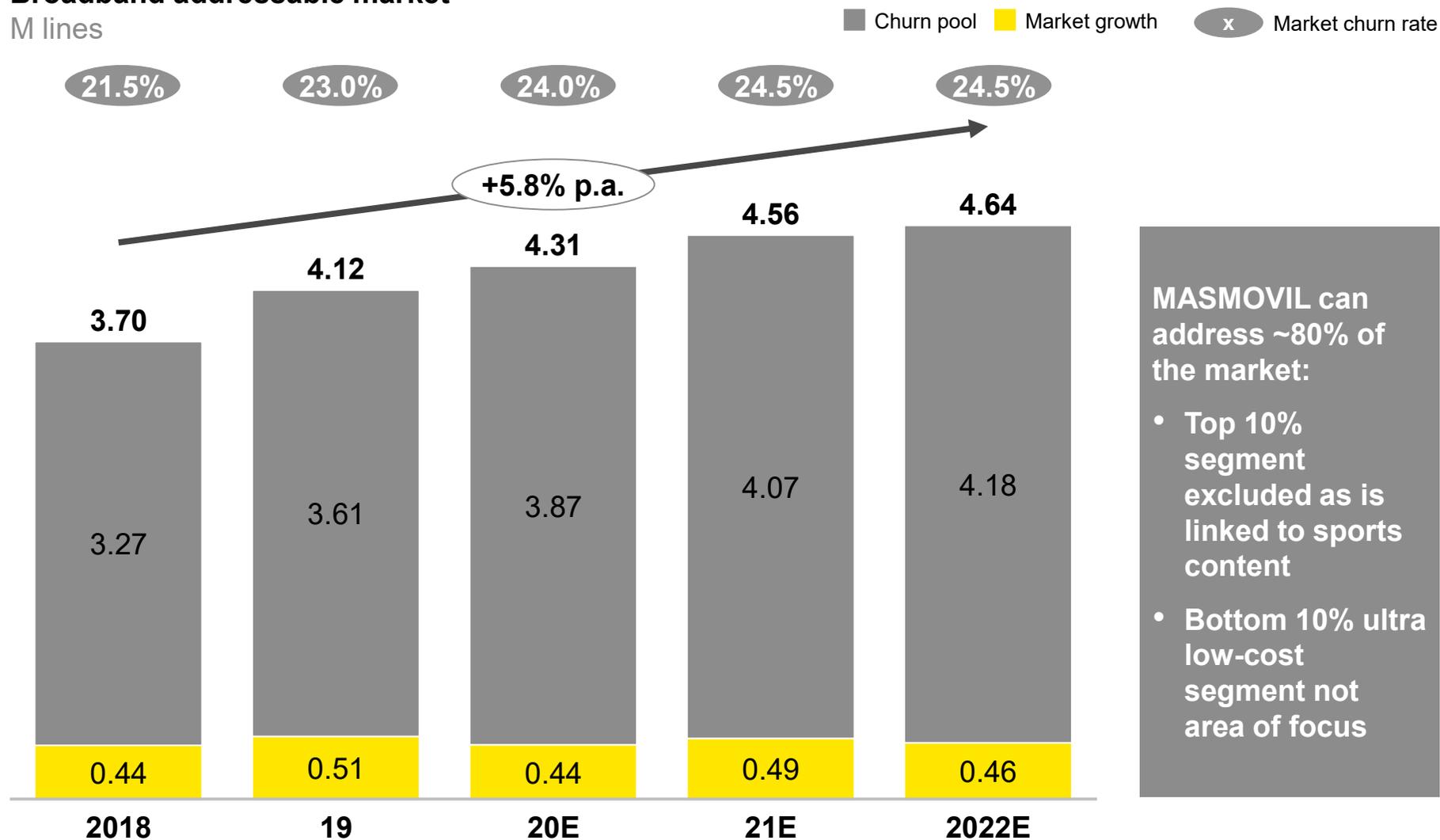
SOURCE: OVUM Spain: Mobile, Broadband, TV, and OTT Video Report

Broadband: Spanish addressable market

Adding churn to market growth creates an addressable pool of c.4.5 M lines by 2021

Broadband addressable market

M lines

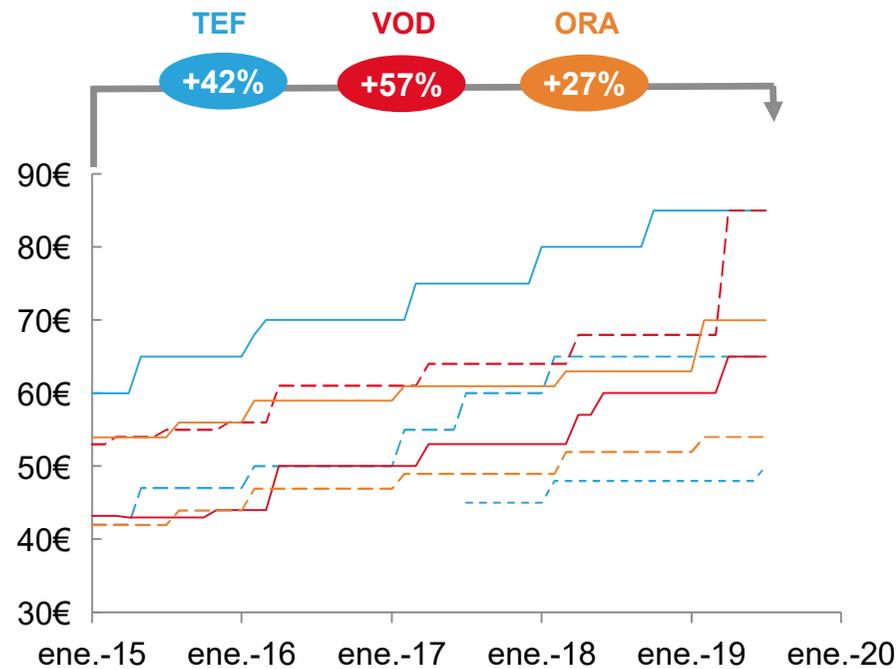


FMC: Price and ARPU evolution

ARPU growth is supported by speed increase and additional services

Low-end 3P and 4P bundles price evolution

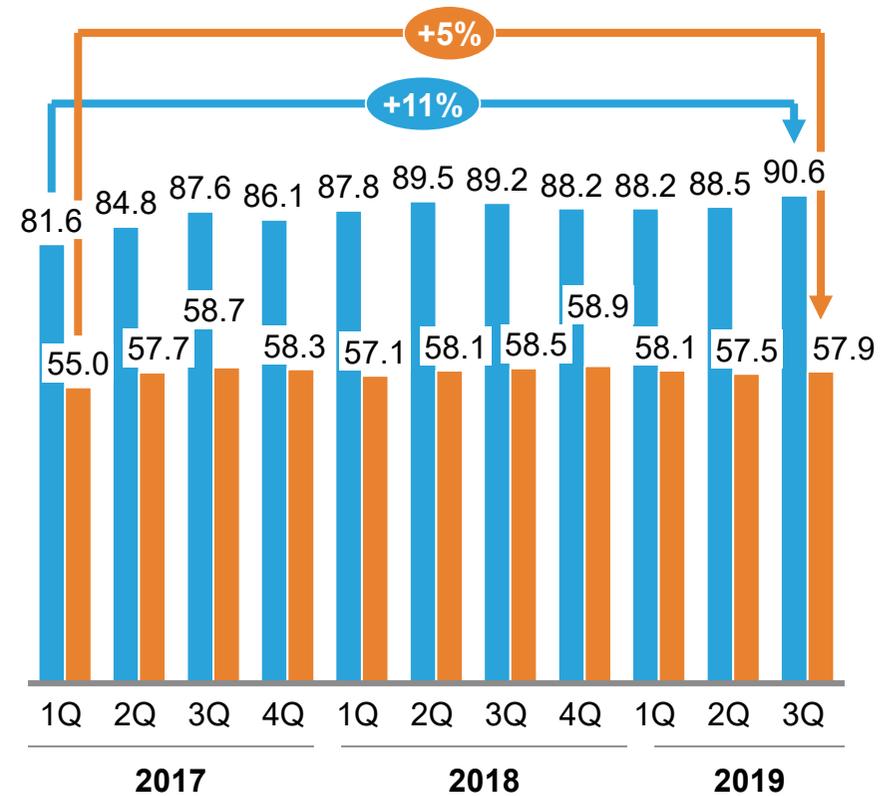
- Fusion #0
- Fusion Series (ex-Contigo)
- Fusión+ Ocio/Selección
- One S/Ilimitada
- One M/Ilimitada
- Love Esencial/Initial
- Love Sin Límites/Medio Max



Convergent ARPU evolution

€/line/month

TEF ORA



Mobile: Spanish postpaid market prospects

The Spanish mobile postpaid market remains stable

Spanish postpaid mobile market forecast¹

M lines

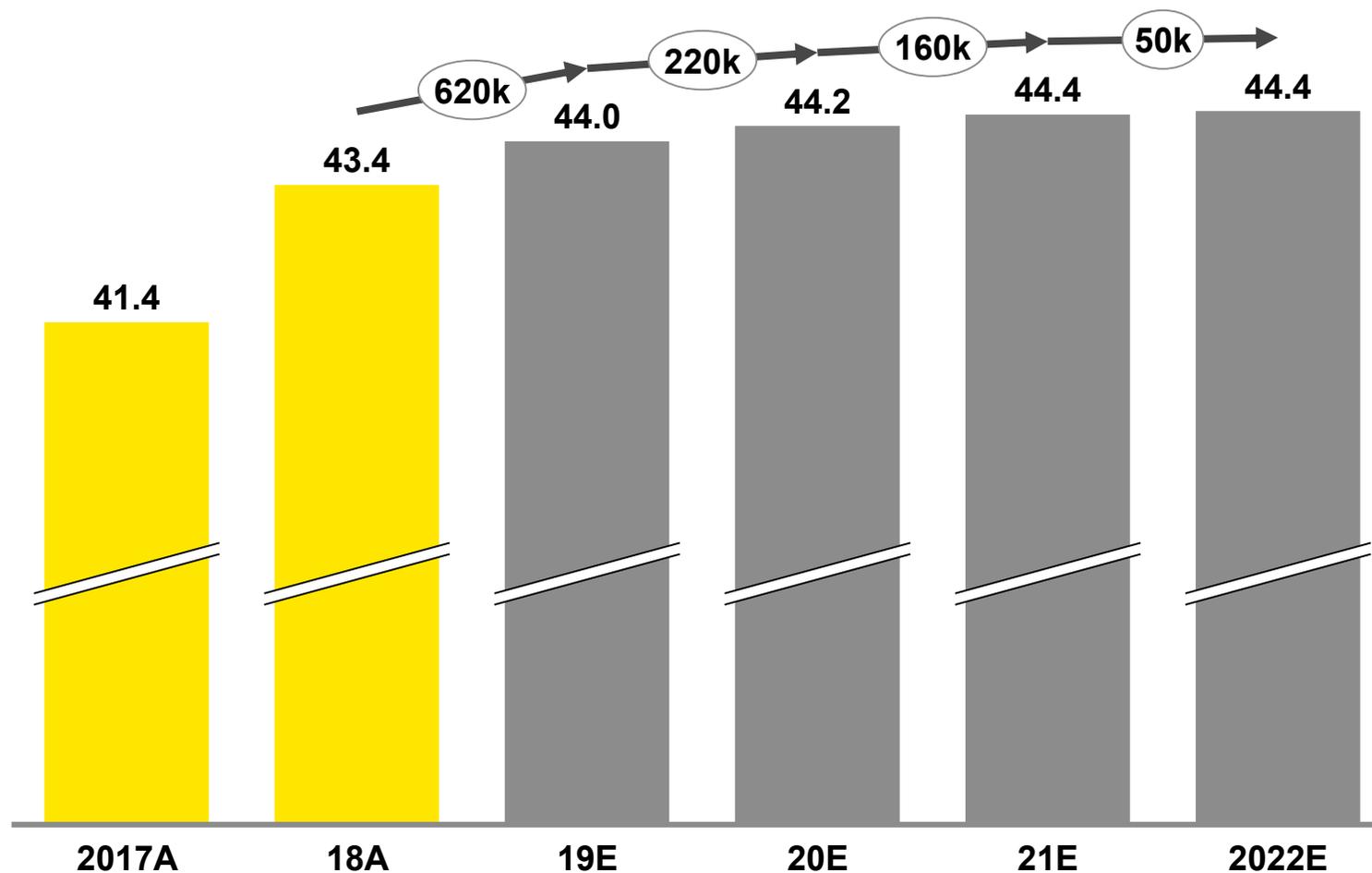
x Lines CAGR

CAGR 14-18

1.6%

CAGR 19-22

0.3%



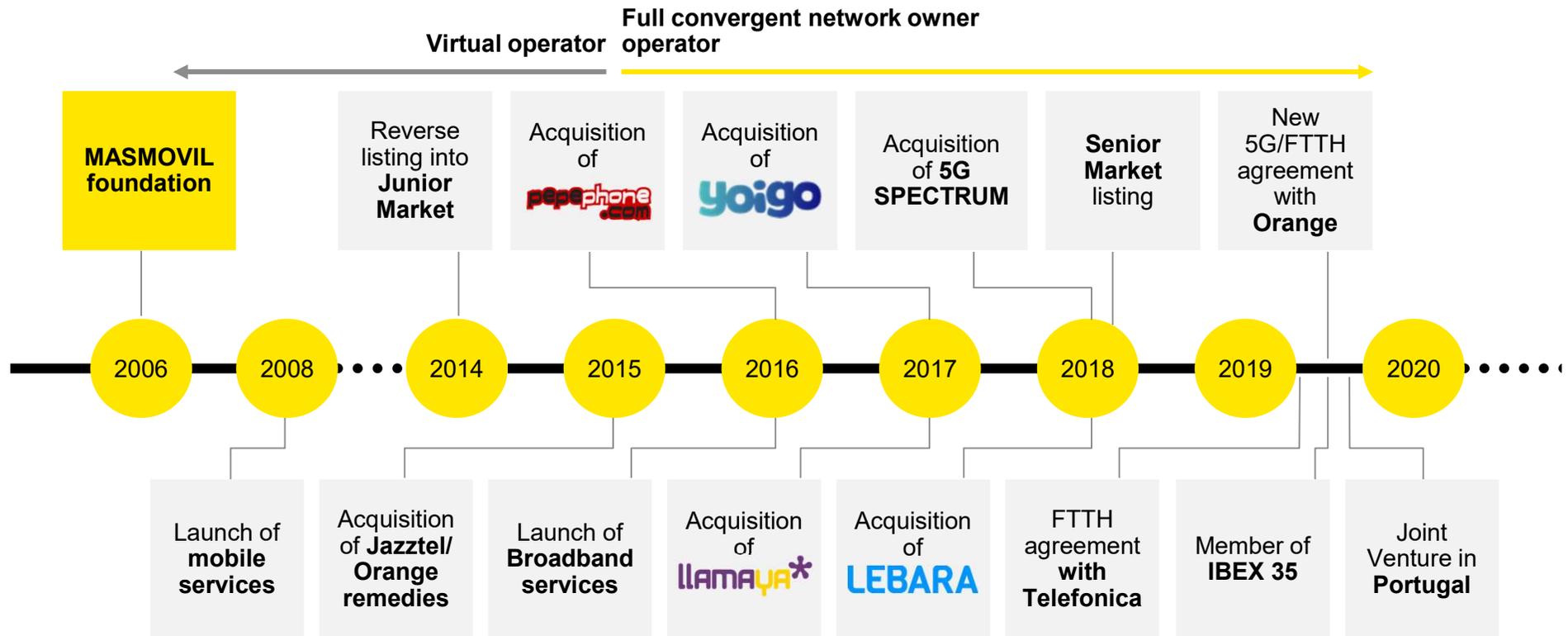
¹ OVUM data yields 0.9% CAGR for 19-22 period, for entire mobile Spanish market

SOURCE: Analysys Mason Dec-19

Contents

	1	MASMOVIL at a glance – from a start up to the 4 th Spanish telecom
	2	Spanish telecom market continues to be one of the most attractive in Europe
	3	MASMOVIL has a unique history of profitable growth in the telecom sector...
	4	...driven by a distinctive value proposition, best-in-class customer experience and network structure
	5	MASMOVIL guidance: cost structure allows to convert growth into cash flow, ensuring high return on investment to shareholders

A brief history in time – From start-up to the 4th Spanish operator



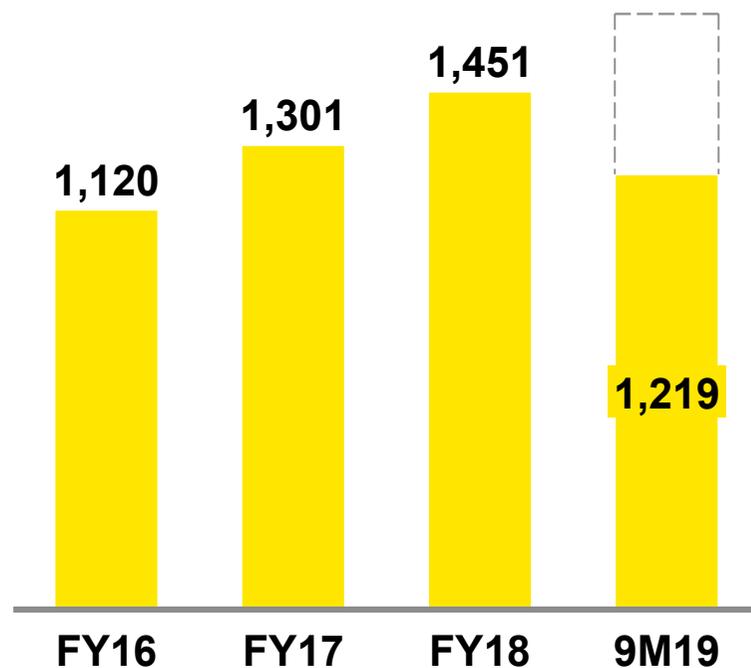
Revenues and EBITDA evolution 2016-19

Revenues increasing continuously while EBITDA is expected at 465 M€ for 2019

X EBITDA Margin

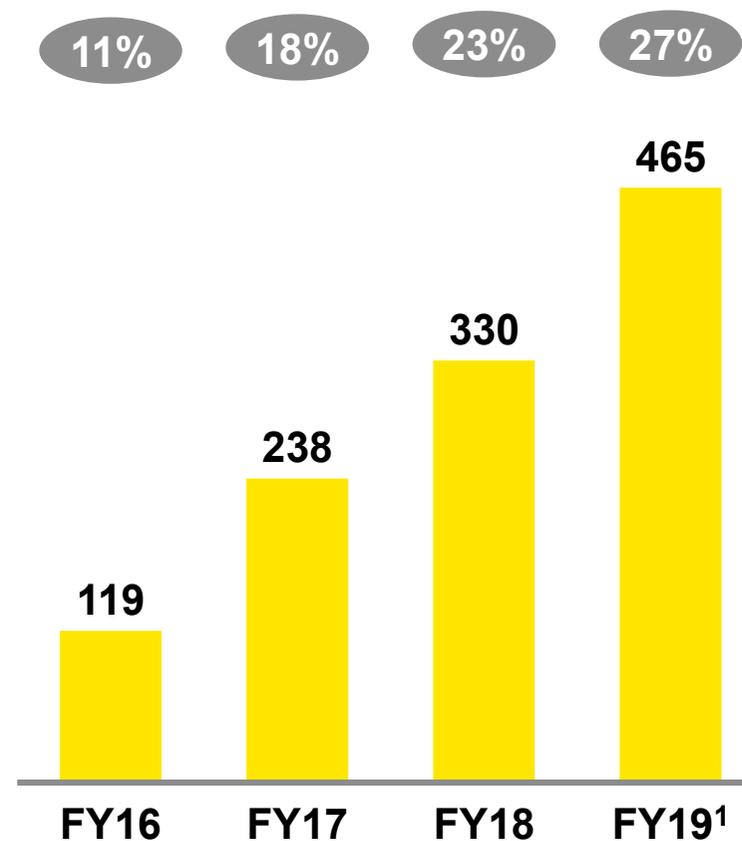
Revenues evolution

M€



EBITDA Evolution

M€

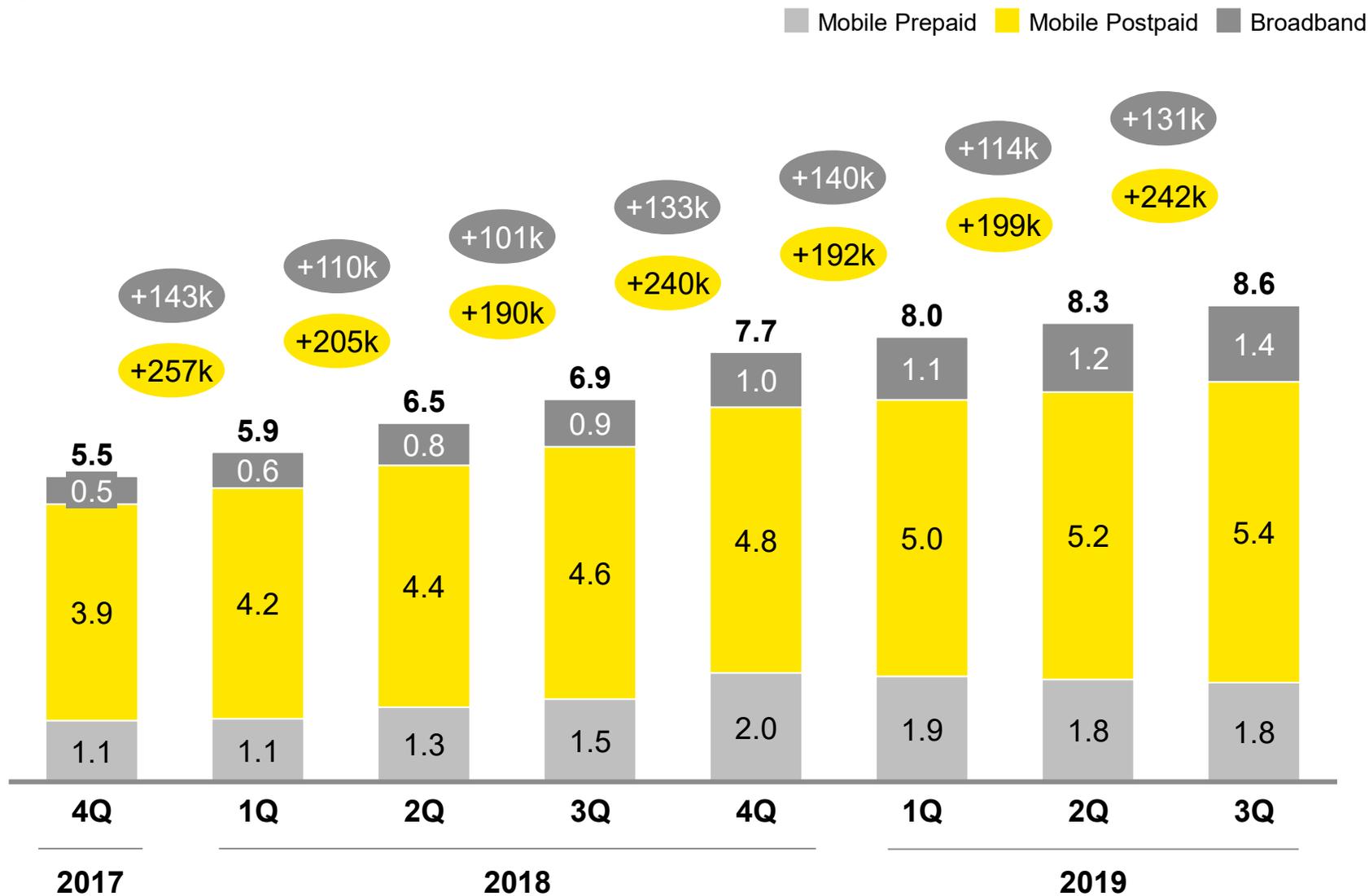


¹ Company Guidance

SOURCE: Company

Mobile & broadband: subscribers evolution

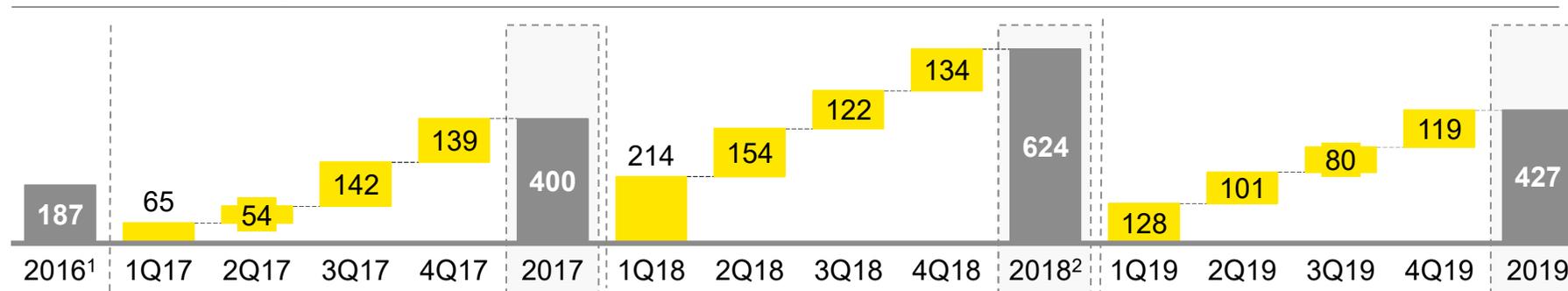
Steady additions of mobile & broadband subscribers
M lines



Net portability rankings

MASMOVIL continues to win more customers than peers QoQ since 2017

Mobile net portability, k lines



Net portability ranking



*leading net mobile and fix portability ranking in **all quarters** for:*

2017
2018
2019



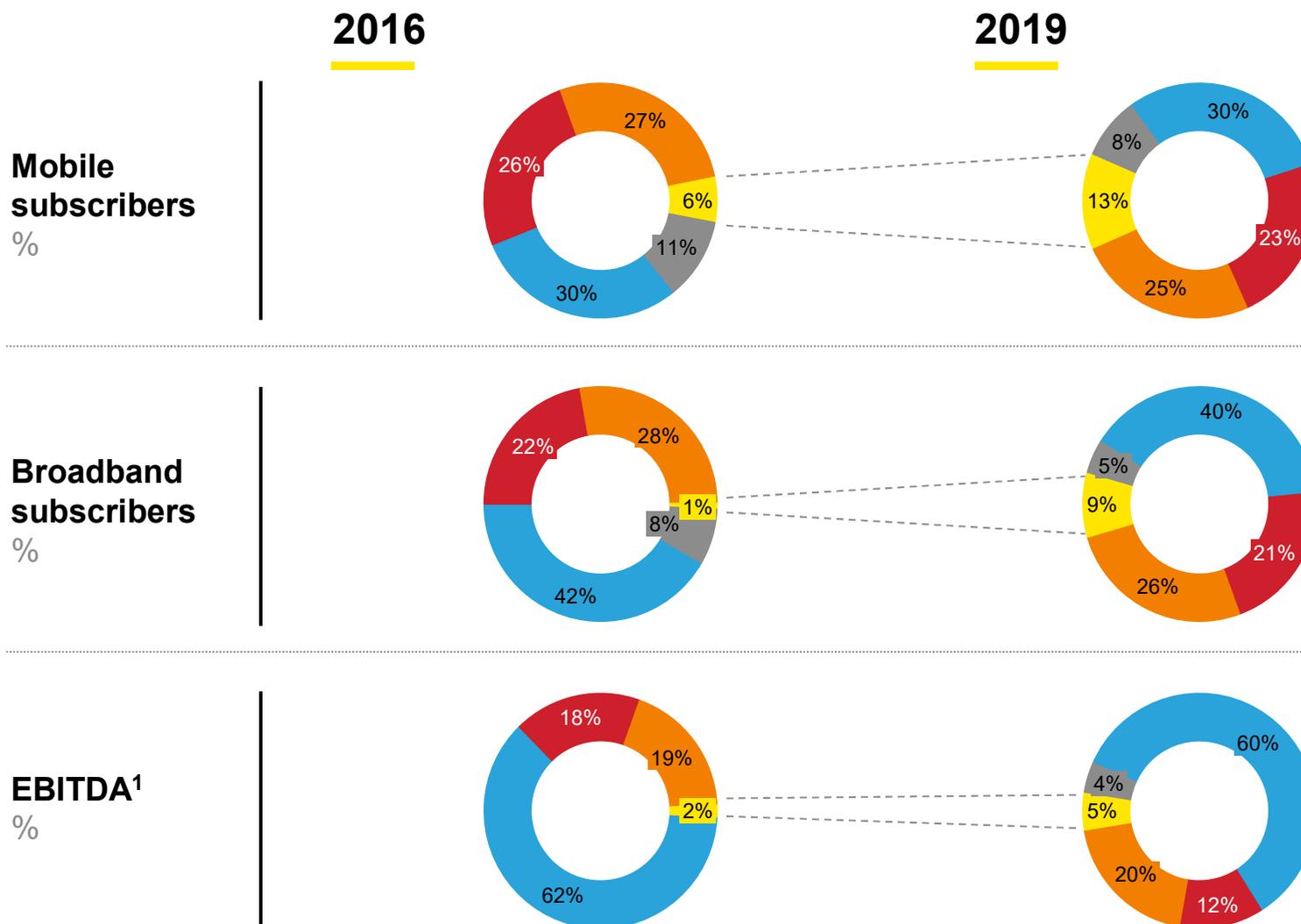
¹ Pro-forma for acquisitions of Yoigo & Pepephone
² 2018 excluding Lebara

SOURCE: Company, CNMC data

Market share of Spanish telecom main players 2016-19

We are a strong challenger but still with plenty of room to grow further

- Telefónica
- Vodafone
- Orange
- MASMOVIL
- Others



¹ Vodafone FY ends in March, for the sake of comparison, we use latest 12 months available. "Others" in EBITDA graph refers only to Euskatel because other minor players do not report it. MASMOVIL share includes Yoigo and Pepephone

Competitors in Spanish telecom market

Consumers can find more than 30 telecom brands in the Spanish market

Convergent players

Mobile-only players



Premium



Low-cost

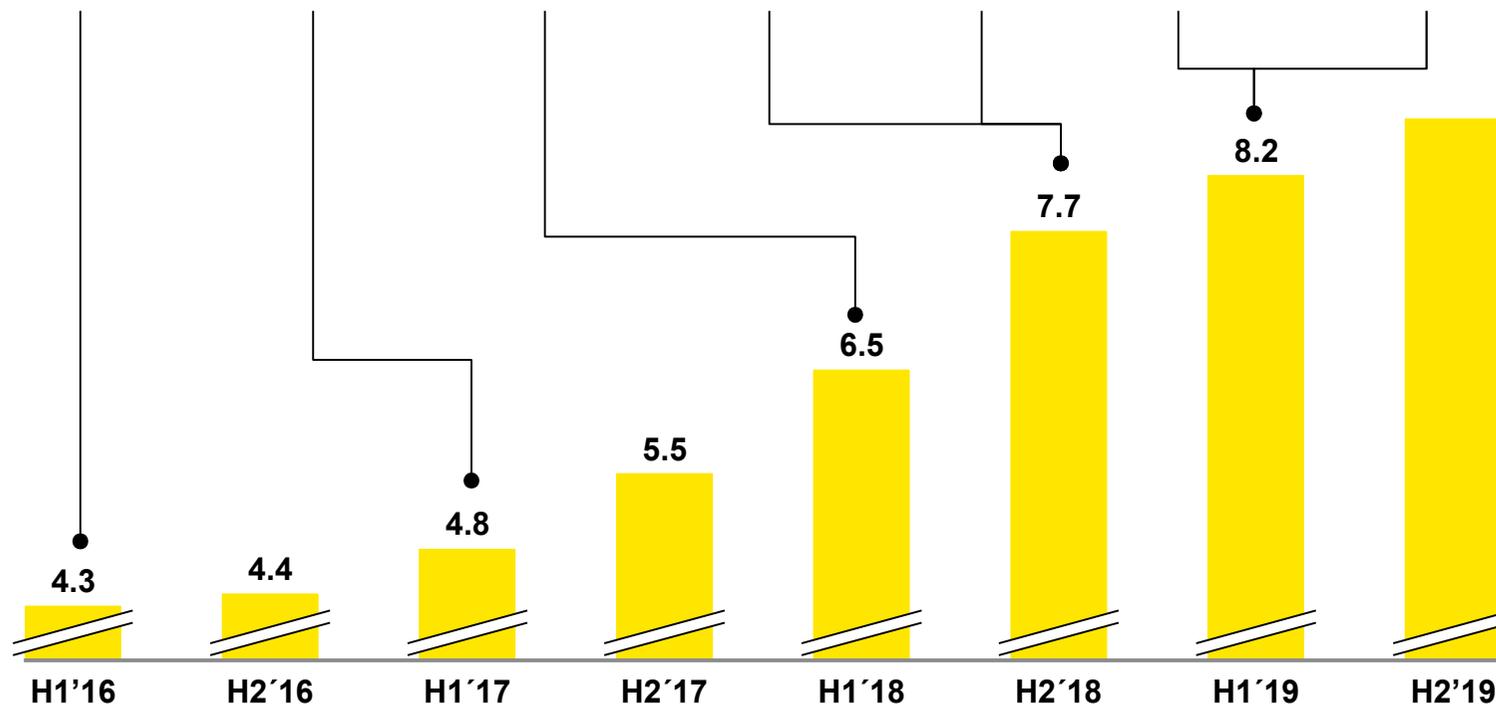
Competitors entries and MASMOVIL growth

Despite increasing competition, MASMOVIL has kept growing at a constant pace

New competitors entries



Evolution of MM total number of lines¹, # millions



¹ Includes mobile only and broadband lines; includes prepaid

Contents

	1	MASMOVIL at a glance – from a start up to the 4 th Spanish telecom
	2	Spanish telecom market continues to be one of the most attractive in Europe
	3	MASMOVIL has a unique history of profitable growth in the telecom sector...
	4	...driven by a distinctive value proposition, best-in-class customer experience and network structure
	5	MASMOVIL guidance: cost structure allows to convert growth into cash flow, ensuring high return on investment to shareholders

At a glance - Our 3 pillars of success



Network owner

- ✓ **Mobile:** own network and NRA agreements providing highest coverage rate among peers (99%¹)
Orange agreement covers all of MASMOVIL's future 5G needs
- ✓ **FTTH:** footprint of 22 M Bus, out of which 60% are own or have usage rights



Our culture

- ✓ **Management team** with +100 years of telecom experience
- ✓ **Agility and simplicity in our core.** Start-up operating model



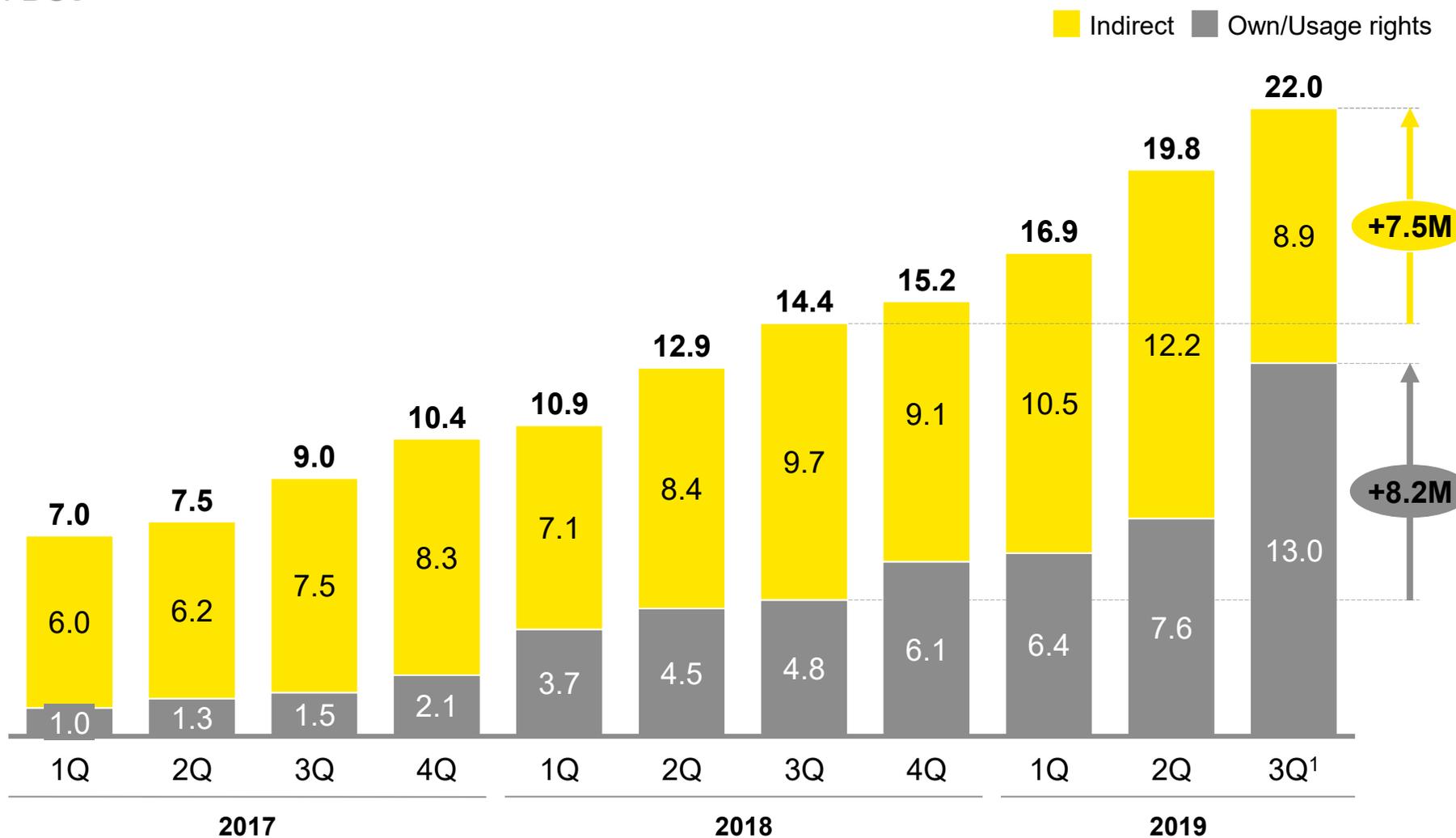
Customer experience

- ✓ **Best NPS (+30)** vs. negative values of peers
- ✓ **Respect for the client** with no price surprises and **flexible unbundled product model**
- ✓ **Robust channel offering:** self-service through **digital** and extensive **retail network** with own and third party distributors
- ✓ **Fast onboarding and end-to-end customer care Spain-based**

¹ Including coverage with Orange agreements

Network - Fiber Footprint Expansion

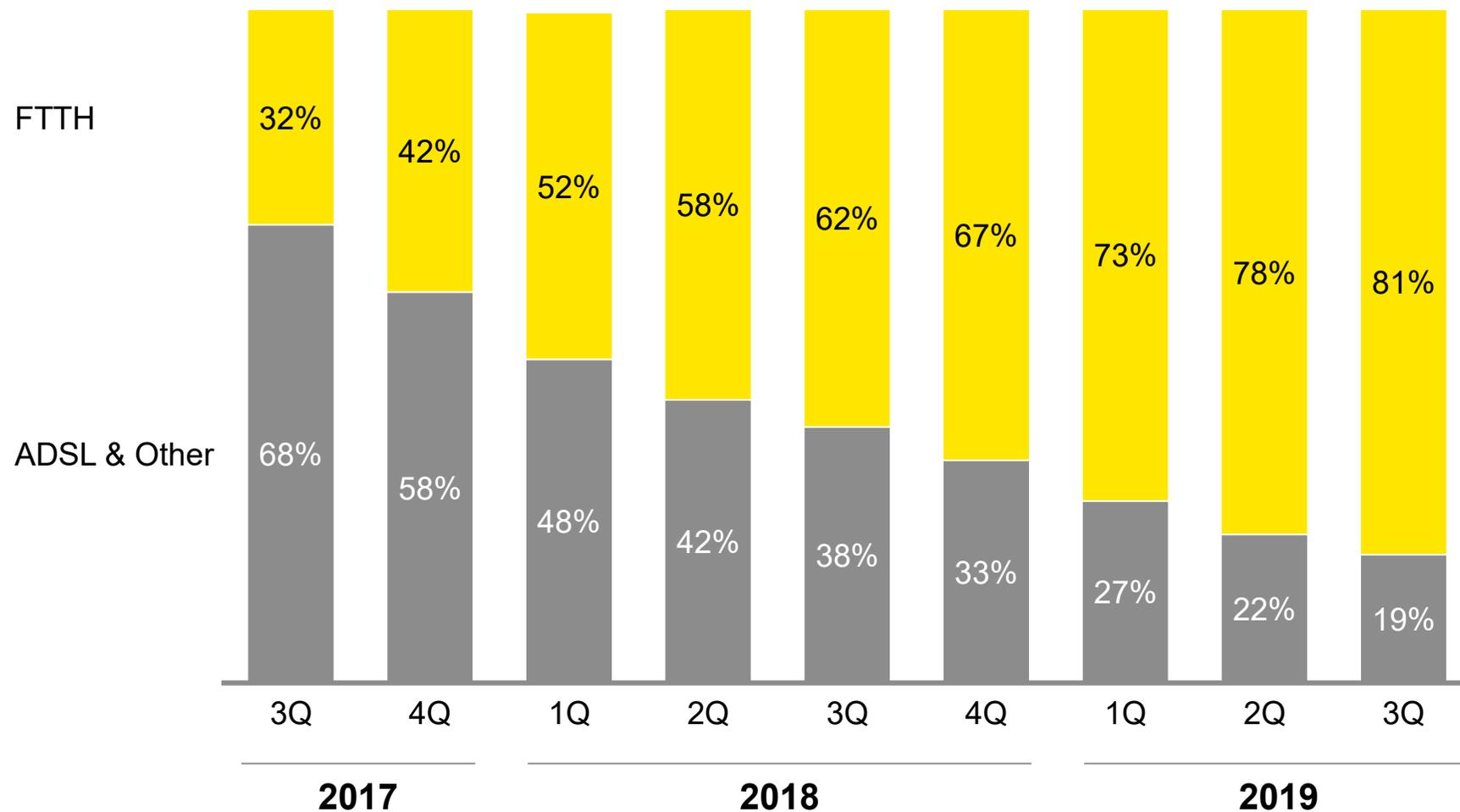
Rapid FTTH footprint growth 7.5M BUs YoY, reaching 22M of which 13M own/usage rights
M BUs



1 Proforma for Orange deal announced Oct 1st, 2019 and the sale of c.1M BUs Macquarie Assets Holdings Limited

Network - Broadband access by technology

FTTH share now 81% of total broadband base

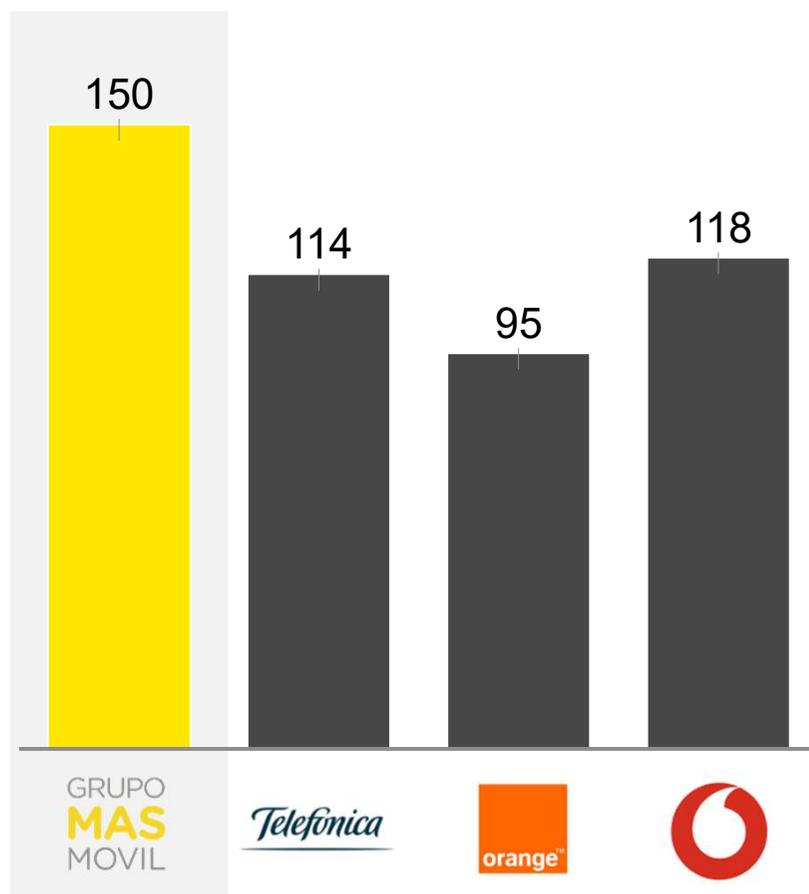


FTTH network quality rankings

MASMOVIL offers the best FTTH network speed

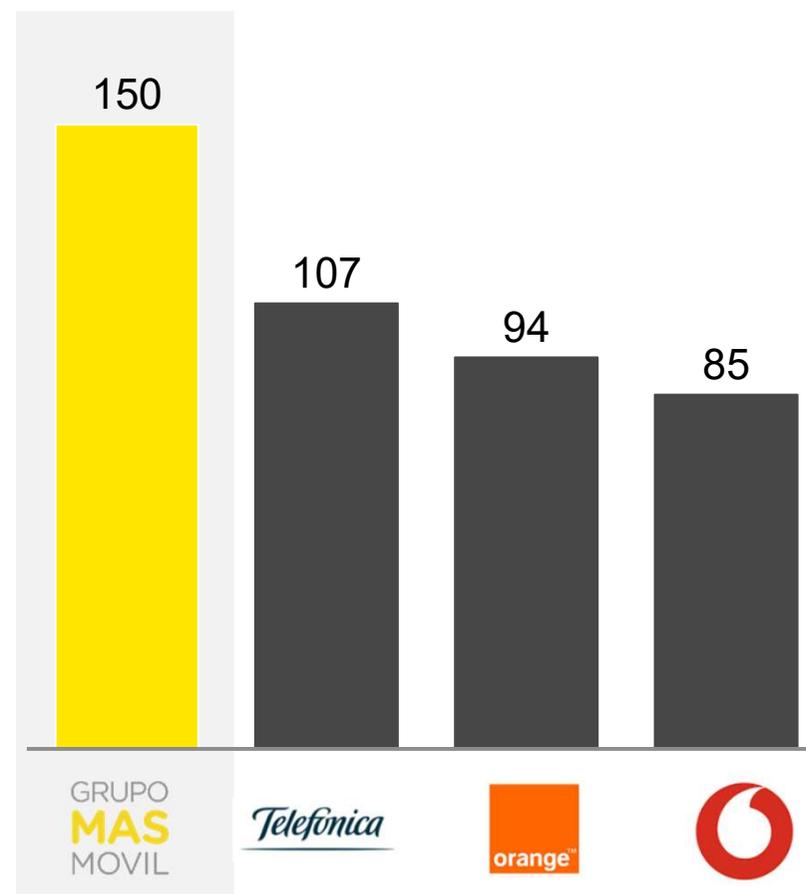
Download speed

Mb/s



Upload speed

Mb/s



Network – Owners of mobile and FTTH network

We built a mobile and FTTH network through own expansion and favorable agreements



Mobile network – 5G risk now eliminated



Own network with c. 5,000 mobile sites, 99% population coverage² and declining cost per GB



Nationwide NRA extended to 2028 plus 5yr option, includes 5G and evolves to network capacity sharing model



5G Virtual Active Sharing of up to 4,500 sites including top 40 cities (covering 35% of population) and 5G frequency bands without further CAPEX requirement



Radio As A Service option: IRU on site-by-site basis to use all mobile technologies



FTTH network – almost completed



Total **footprint of 22 M BUs**, of which **60% is own/usage rights** (13 M BUs)



Footprint expanded by 5.2M BUs with optimized cost structure (c.50% reduction in monthly charge)



Hybrid economic model: upfront CAPEX/BU c. 50% of traditional co-investment with **option to get full owner economics by 2030**



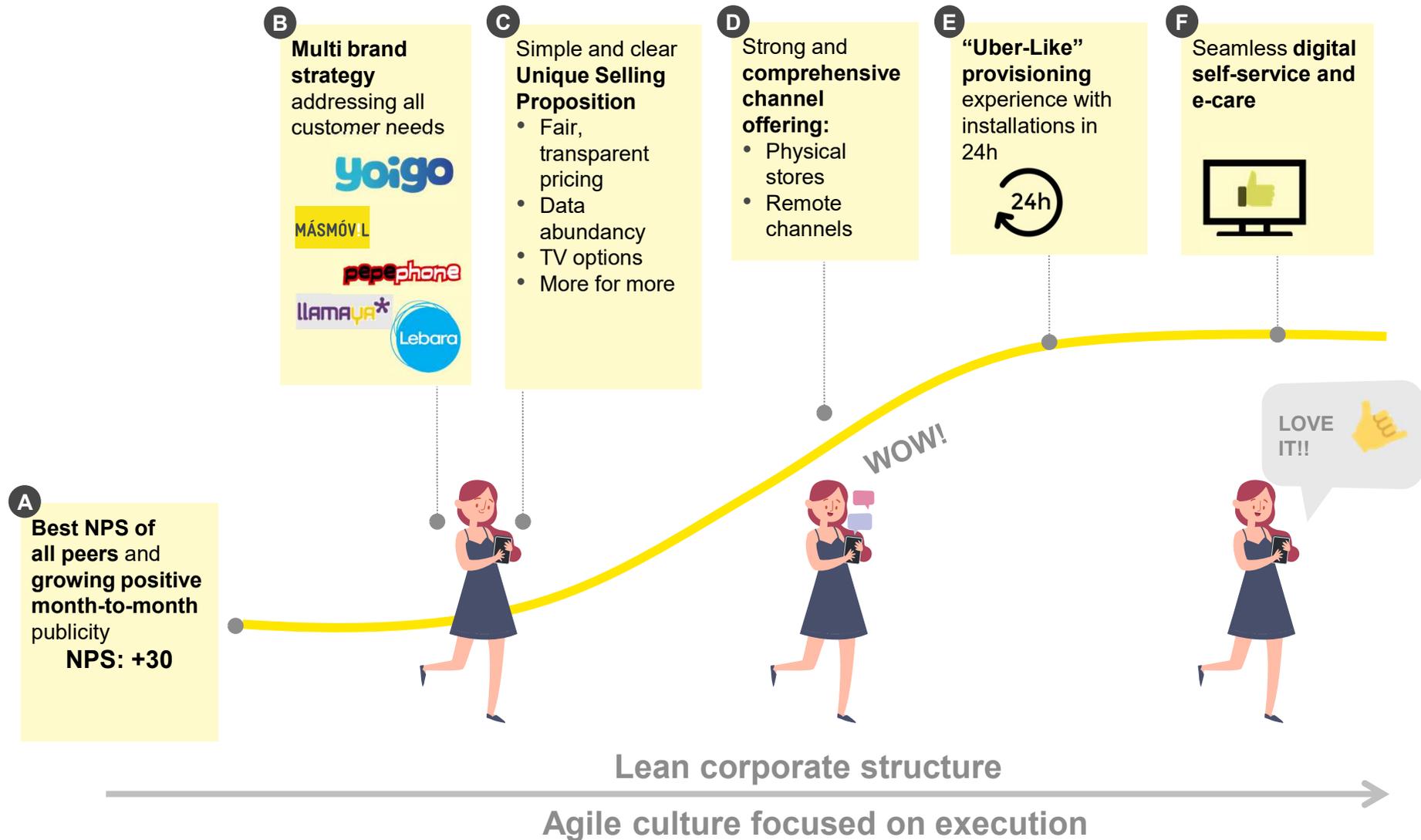
Vendor financing: CAPEX from latest Orange deal will be booked in 2019 with payments spread mainly over 3 years

¹ Proforma for Orange deal announced Oct 1st, 2019 and the sale of c.1M BUs Macquarie Assets Holdings Limited

² Including coverage with network agreements

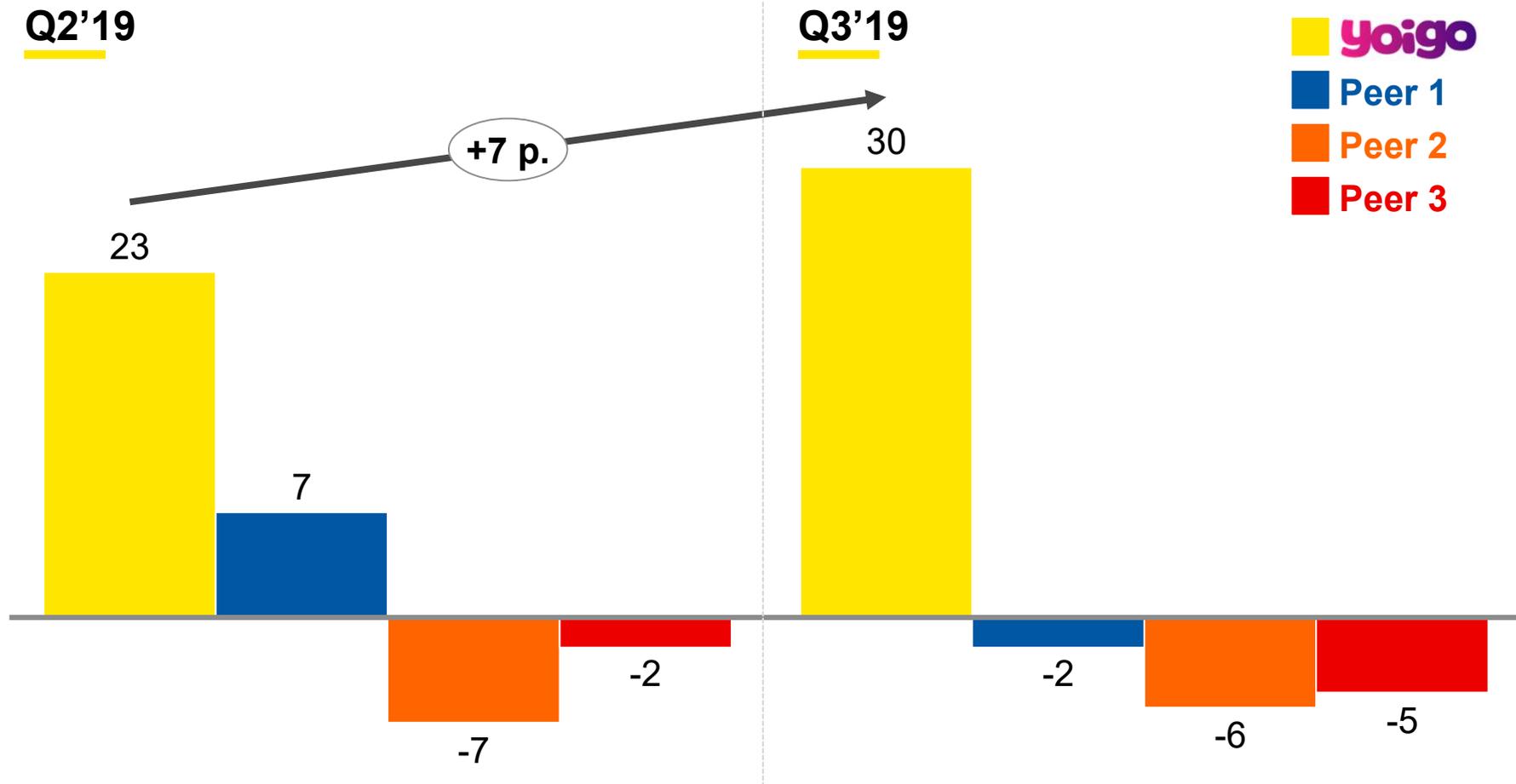
Customer experience - We are a different telecom

Customers love our products and care



A Leadership in Net Promoter Score (NPS)

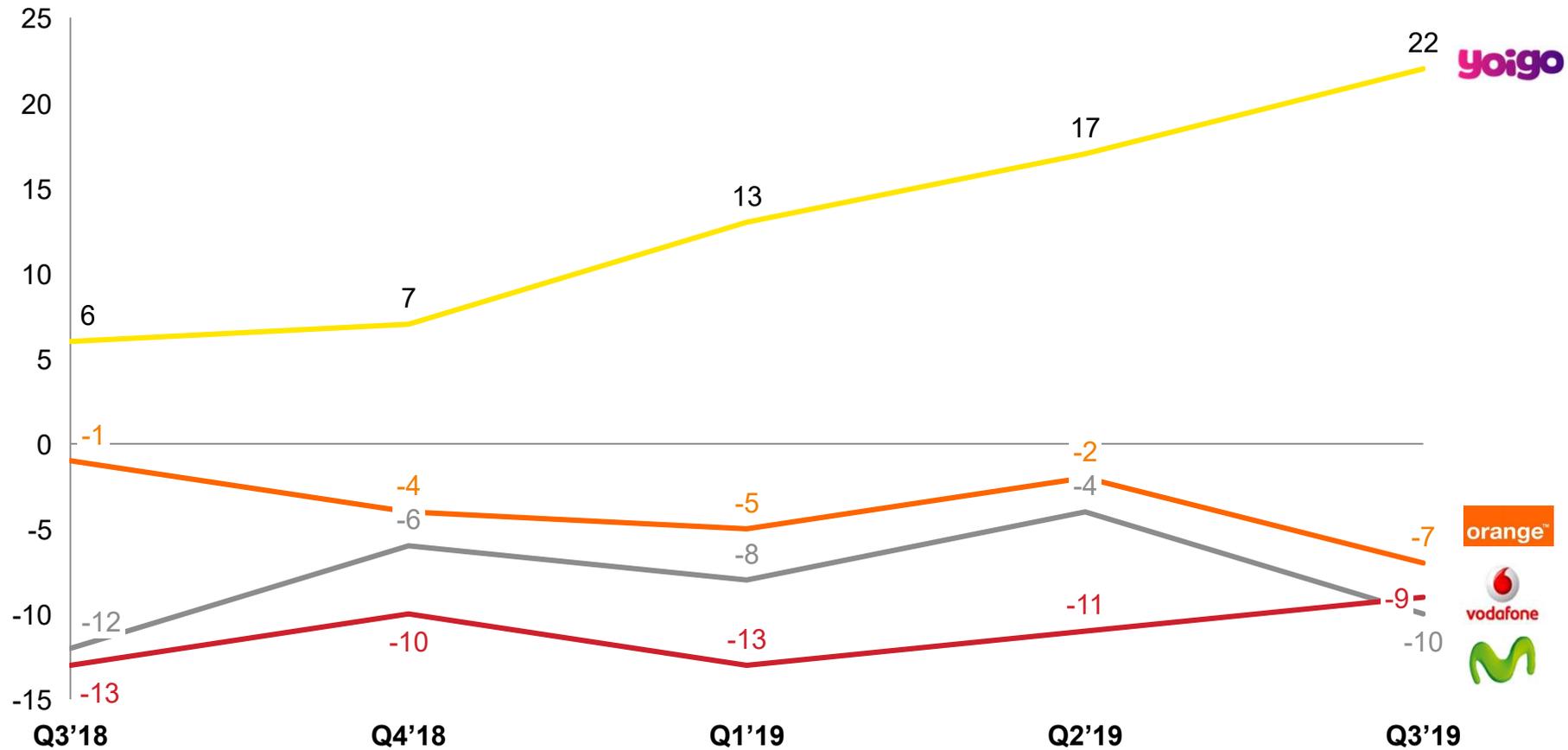
Yoigo exhibits the best NPS of all peers and growing



Our client focus is leading to better customer satisfaction

A Mouth-to-mouth publicity by brand

Consumers speak positively about Yoigo with their friends & family



1 Q: Do you speak with your friends and relatives about the things you like of your operator? And about the negative? (difference between positive and negative conversations, %#)

B MASMOVIL multi-brand strategy

We cover all client segments



C MASMOVIL unique selling proposition

A clear and simple proposition, maintained since inception



Respect for the client: transparent pricing (no price increase to back book)



Flexible unbundled model:

- Non-forced content bundling
- Data abundance
- TV options
- Handset financing

C Agile TV offering and evolution

Fully customizable TV experience through an external partner



Technology

Android TV-based system with seamless and intuitive UX, up to 4K UHD and cast functionality



Excellent value

Appealing entry price of 6€ / month.
Great “value for money” content promos (Agile TV + Sky TV 9.99€ / month)



Enriched TV

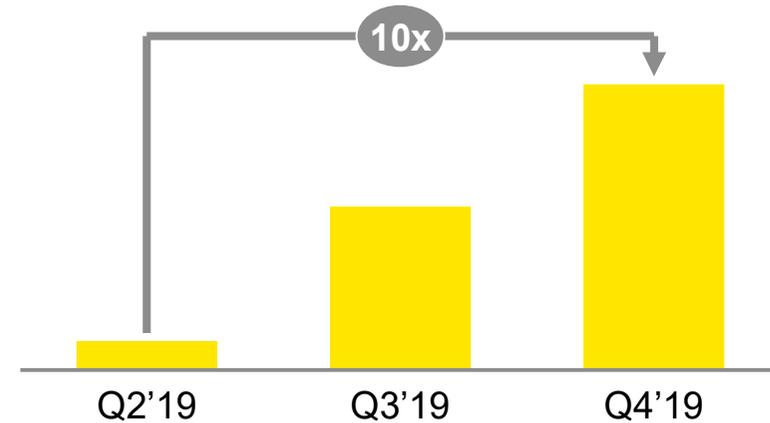
DTT channels’ enhanced experience with 350-hour network PVR functionalities (7 days catchup, pause, restart...)



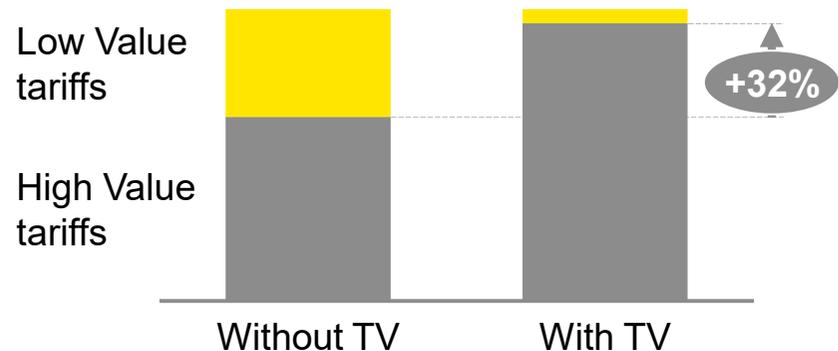
Customizable content

Video OTTs for choice (Netflix, Eurosport, YouTube...) and more than 3.000 TV apps (Spotify, Bloomberg...)

TV Sales



TV¹ customers tariff mix (3P)



1 Agile TV platform

SOURCE: Company

C Incumbents: Selected pricing comparison for main brands

Our pricing show a very rational positioning

■ MASMOVIL is cheaper ■ MASMOVIL has similar price or is more expensive

Annual cost including promotions¹; €

Excluding below-the-line continuous 50% discount for 6 or 12 months

	GRUPO MASMOVIL yoigo	 vodafone	 orange™	
 Mobile-only	468€ (∞ min, 60GB)	462€ (∞ min, ∞ GB ²)	423€ (∞ min, 40GB)	540€ (∞ min, 20GB)
100Mb FTTH Basic/ ADSL	648€ (∞ min, 8GB)	609€ (∞ min, 8GB)	566€ (∞ min, 6GB)	780€ (∞ min, 2x10GB)
600Mb FTTH premium	978€ (∞ min, ∞ GB)	792€ (∞ min, ∞ GB ²)	923€ (∞ min, 80GB)	1680€ (∞ min, 40GB)

¹ Including VAT. 50% discounts for 3 or 6 months in VOD and ORA, depending on the tariff. No discount in TEF and YOI

² Vodafone ∞ GB restricted at 10Mbps speed

C Attackers: Selected pricing comparison for second brands

On competitive segments, our positioning is based on quality rather than pricing

■ MASMOVIL is cheaper
 ■ MASMOVIL has similar price or is more expensive

Annual cost including promotions¹; €

	MÁSMÓVIL	DIGI	Lowi.es	O ₂
 Mobile-only	239€ (∞ min, 19GB)	240€ (∞ min, 30GB)	239€ (∞ min, 25GB)	240€ (∞ min, 25GB)
100Mb FTTH Basic/ ADSL	539€ (∞ min, 19GB)	444€ (∞ min, 60GB)	419€ (∞ min, 20GB)	—
300- 600Mb FTTH premium	629€ (∞ min, 19GB)	504€ (∞ min, 60GB)	—	600€ (∞ min, 25GB)

Most of the time above-the-line price, occasionally below-the-line

¹ Including VAT. 30% - 60% discount in Jazztel, depending on tariff. Digi, Lowi and O2 no discount. MásMóvil 18% on the 600 Mb tariff

SOURCE: Online Benchmark at 15/01/2020. Disclaimer: Prices might vary at different benchmark dates

D Strong and comprehensive channel offering



Physical channels

- | | |
|---------------------|--|
| Own stores | <ul style="list-style-type: none"> • ~800 Yoigo stores • ~100 multibrand MasLife stores • Presence in all provinces |
| Distributors | <ul style="list-style-type: none"> • Partnerships with national distributors (e.g., The Phonehouse) and small distributors: <ul style="list-style-type: none"> – ~1,500 MásMóvil PoS – ~5,000 LlamaYa and Lebara independent PoS |



Remote channels

- | | |
|------------------|--|
| Online | <ul style="list-style-type: none"> • Fastest website performance • 40% sales through online channel |
| App | <ul style="list-style-type: none"> • Transactional app for Yoigo MásMóvil and Pepephone • Full functionalities; buy, change, bill tracking |
| Telesales | <ul style="list-style-type: none"> • Single point of contact for end-to-end transactions |

- **>90% FMC sales in remote for MásMóvil**
- **>50% FMC sales in remote for Yoigo**

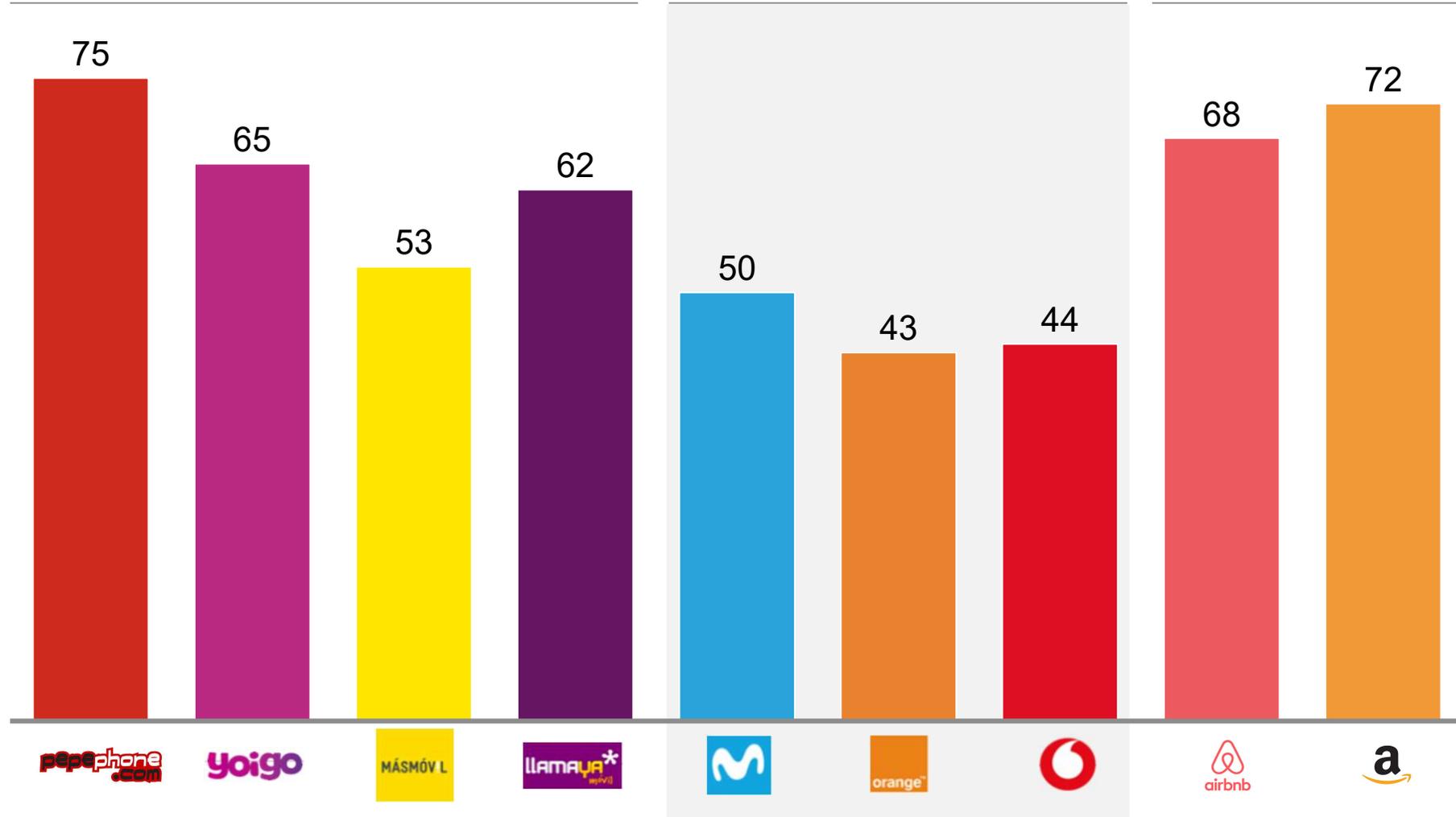
D Website performance

MASMOVIL websites are faster than main competitors

MASMOVIL Group

Competitors

Benchmark

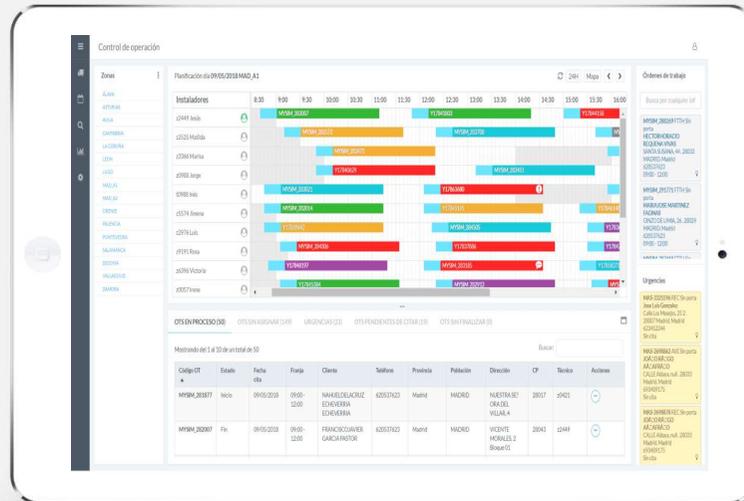


E FTTH Provisioning – Uber-like experience

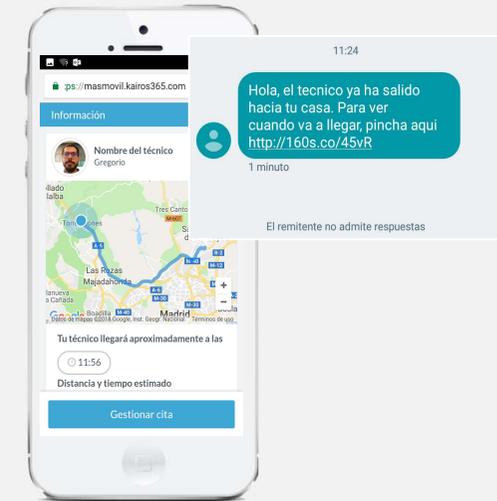
Field management app allows MASMOVIL to install FMC sales within 24 hours



Improve appointments management



...operations management...



...and keeps the customer informed

F Focus on digital with seamless self-service and eCare

UX-focused approach to increase digital self-care

What have we done?



Multibrand tech platform for eCare and APPs launched



New customer focused tools like **WiFi management** embedded in APP.



Improved **eCare services** and **dedicated promotions** for self-care through digital channels

What has been the impact on Digital KPIs?

80%

Customer interactions through digital channels

35%

Clients **accessing eCare** (web+app)

40%

Weight of **digital sales**

20%

FTEs **working in Agile**

Our team - MASMOVIL management

Management team with >100 years of telecom experience and strong execution culture



Meinrad Spenger,
CEO



Arturo Medina,
Chief People
Officer



Eduardo Duato,
Deputy CEO &
Technical Projects



Fernando Castro,
Chief Communication
Officer



Germán López,
Chief Consumer
Officer



Jacobo Gálvez,
Chief Marketing
Officer



Javier Marín,
Chief IR & Corporate
Finance Officer



**José-Carlos
Lopez Tello,**
Chief Sales Officer



**José María del
Corro,** Chief
Financial Officer



Juan Luis Delgado,
Chief Legal Officer



Miguel Santos,
Chief Technology
Officer



Miguel A. Suarez,
Deputy CEO &
Business Analytics



Pablo Freire,
Chief Strategy
Officer



Rebeca González,
Chief Customer
Care & Loyalty
Officer



Victor Guerrero,
Chief Enterprise &
Wholesale Officer

Our team - A culture like no other ;-)

A small team of passionate employees can make the difference



#zerobullshit

Zero Bureaucracy
Zero Politics
Zero Ego



#100%goodvibes

Customer Experience
Trust > control
Positivism



#lovespeed

Simplicity
Agility
80:20

Contents

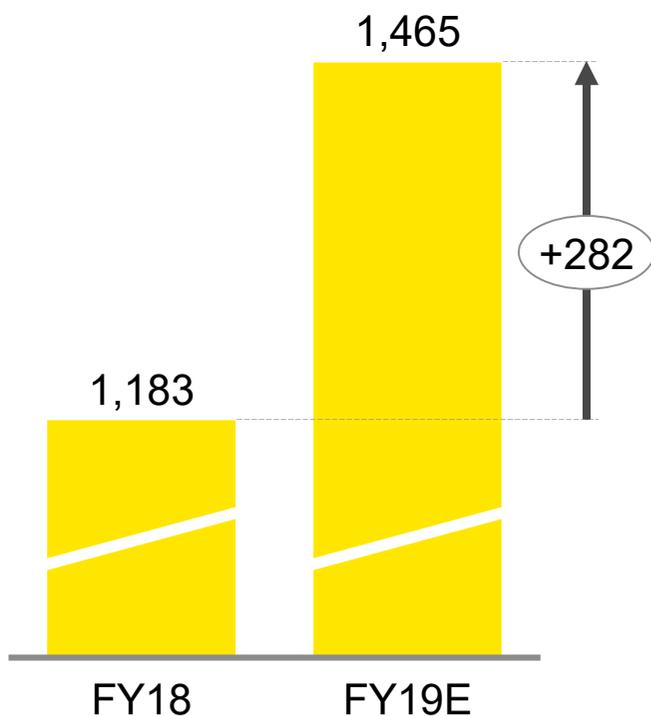
	1	MASMOVIL at a glance – from a start up to the 4 th Spanish telecom
	2	Spanish telecom market continues to be one of the most attractive in Europe
	3	MASMOVIL has a unique history of profitable growth in the telecom sector...
	4	...driven by a distinctive value proposition, best-in-class customer experience and network structure
	5	MASMOVIL guidance: cost structure allows to convert growth into cash flow, ensuring high return on investment to shareholders

2019 Service Revenues & Adj. EBITDA Guidance

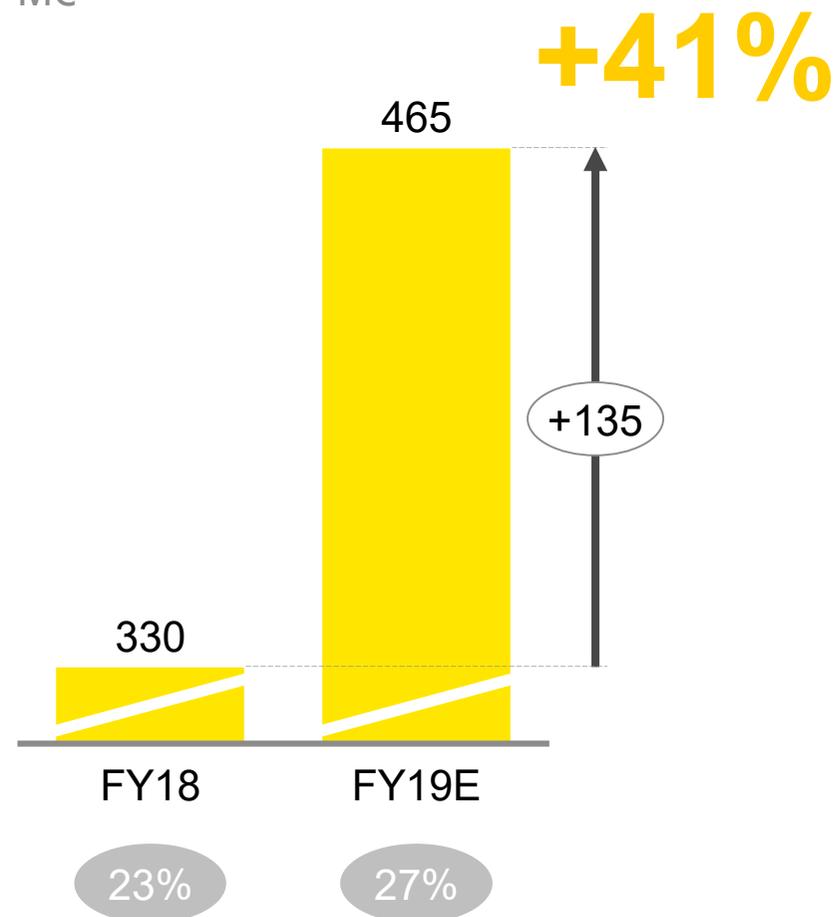
Adj. EBITDA guidance increased to 465M€; M€

Adjusted EBITDA margin

Service Revenues,
M€

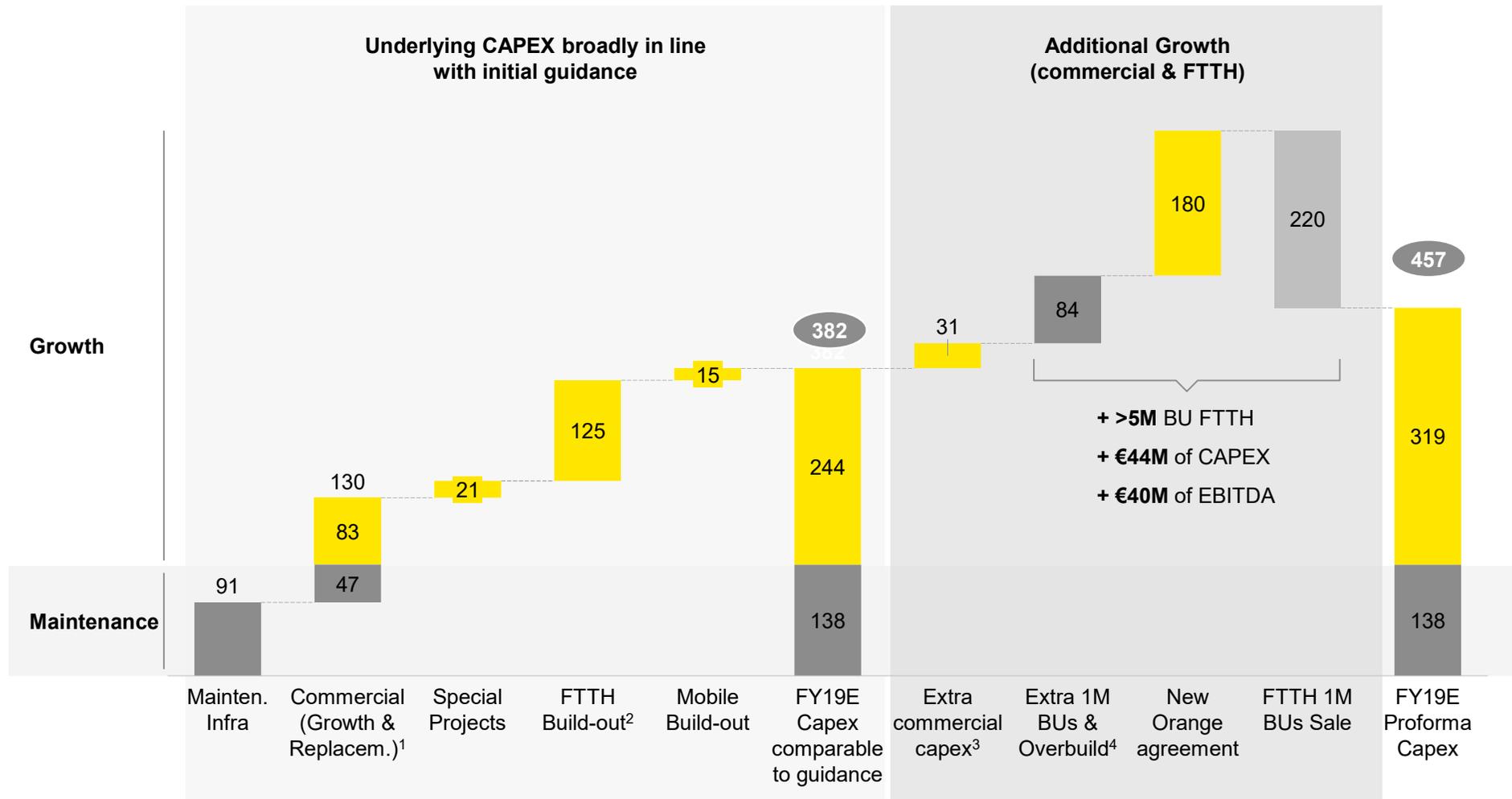


Adjusted EBITDA,
M€



2019 CAPEX guidance

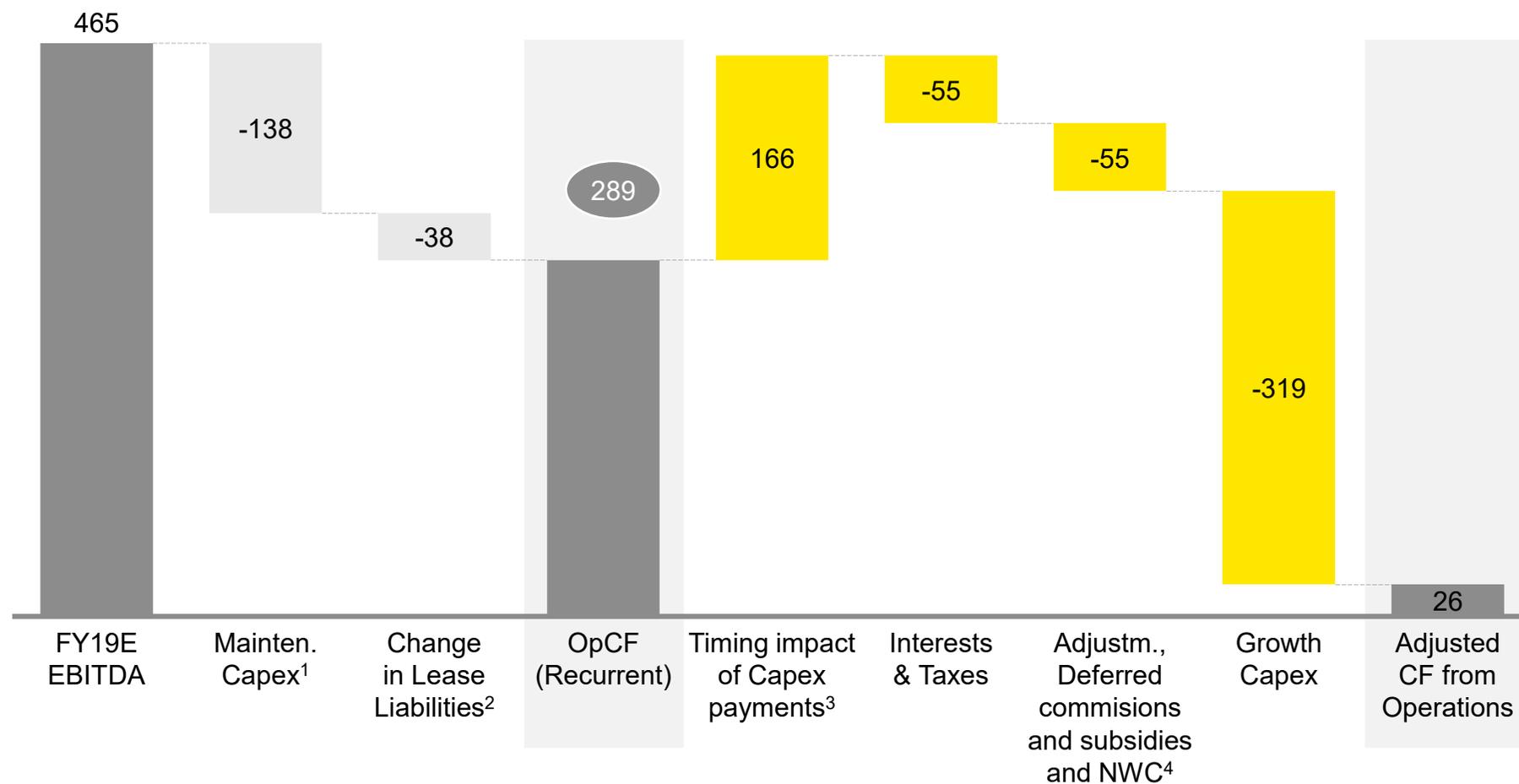
Net additional FTTH CAPEX of c. 44M€ to generate 40M€ of annual EBITDA; M€



1 Based on around 400K net adds implicitly embedded within FY19 initial guidance; 2 Based on reaching the expected own network of 8M BUs as per FY19 initial guidance; 3 Extra capex driven by higher than initially expected subscriber growth (500k vs. 400k) and set-top box offering; 4 1M extra BUs acquired from Orange plus 200k BU's overbuilt on top of the 8M BU's of guidance

2019 Cash flow from operations

MASMOVIL to generate positive CF from Operations in 2H19 and FY19
M€



1 Includes churn related (replacement) commercial capex and maintenance infrastructure capex; 2 Including IFRS16 leases; 3 Including mostly payments of €65M deferred from 2018 and €250M CAPEX deferred from two new Orange agreements signed in 2019; 4 Mainly due to commissions/subsidies deferred under IFRS15

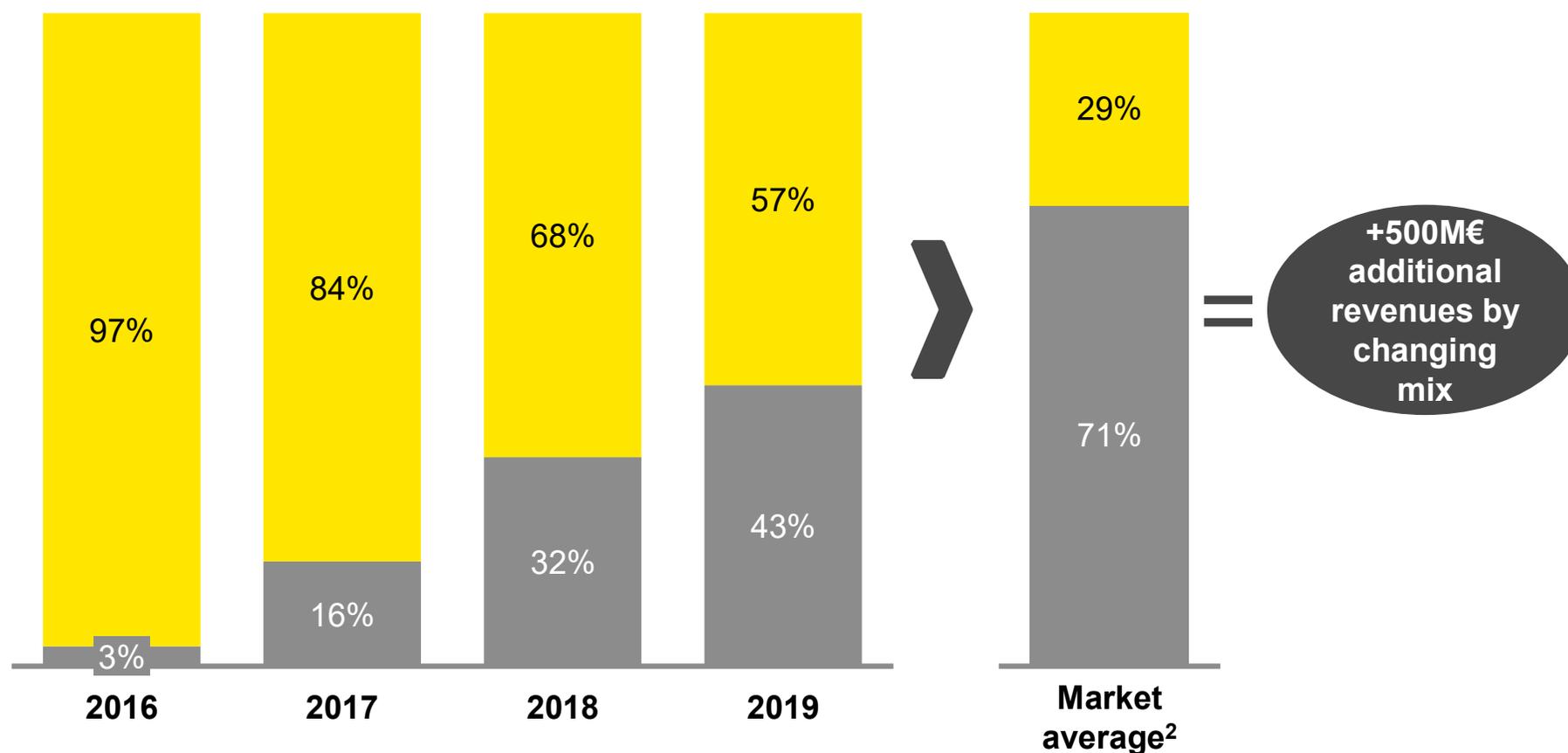
Revenues growth impact of matching FMC-MO market mix

+500 M€ of revenues growth impact if changing current base mix to meet market mix

■ MO postpaid lines ■ FMC lines

MASMOVIL mix evolution

Market mix ²



1 Excluding B2B and Prepaid

2 Based on Analysys Mason FY2018 market data: 12.3M Residential BB lines, 31.9M Residential Mobile Postpaid lines and assuming x 1.85 mobile lines per BB line

SOURCE: Analysys Mason; Company

Adjusted EBITDA outlook 2018-21

Operating leverage enables to grow EBITDA¹ margin to 32% - 34% in 2021; M€

● Adj. EBITDA Margin



(1) FY18 is pre-IFRS16. Following years are post-IFRS16

CAPEX outlook 2018-21

Orange agreements diminish uncertainty and allows for declining net CAPEX profile

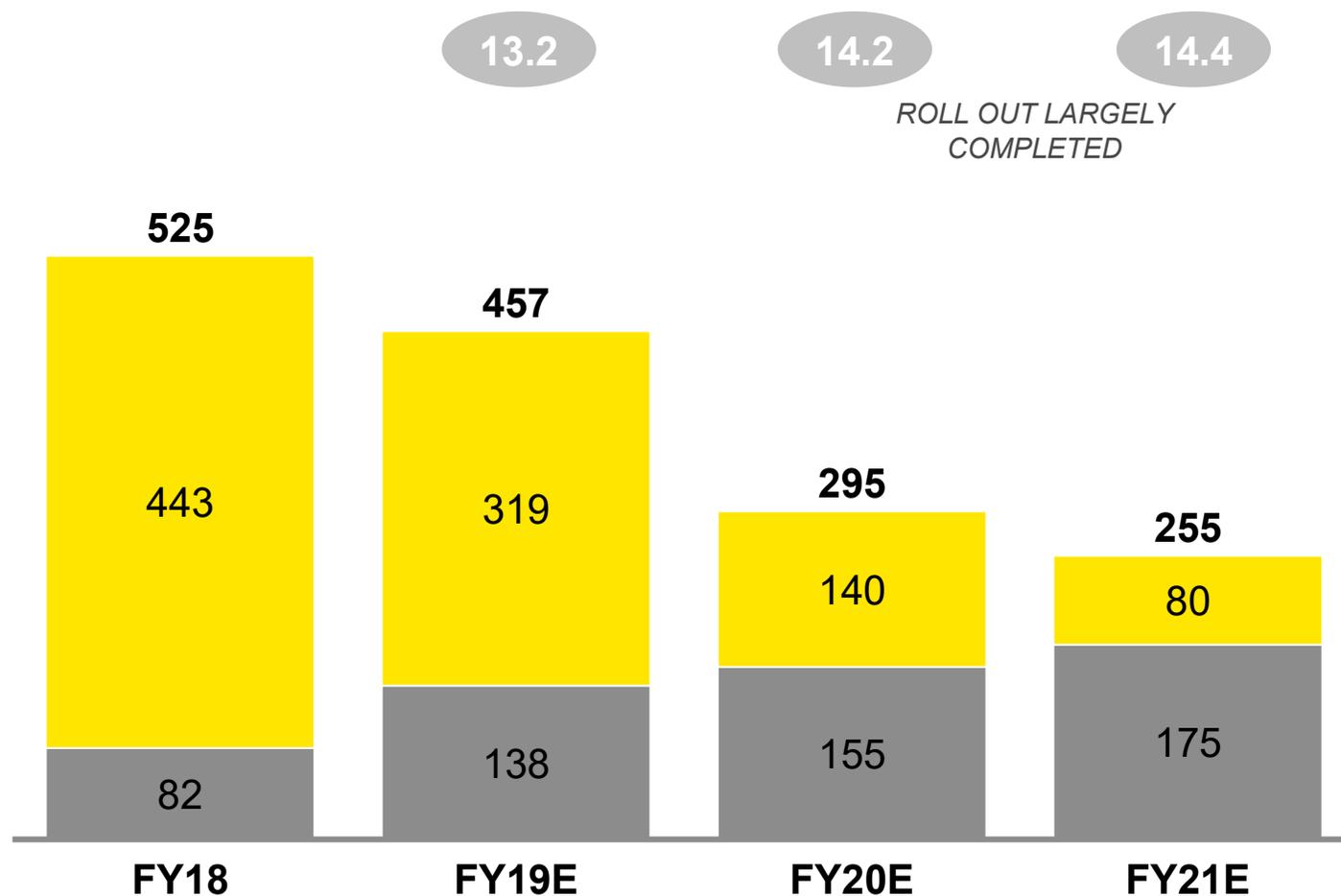
■ Maintenance¹ ■ Infra & growth

Updated FTTH guidance

M BUs

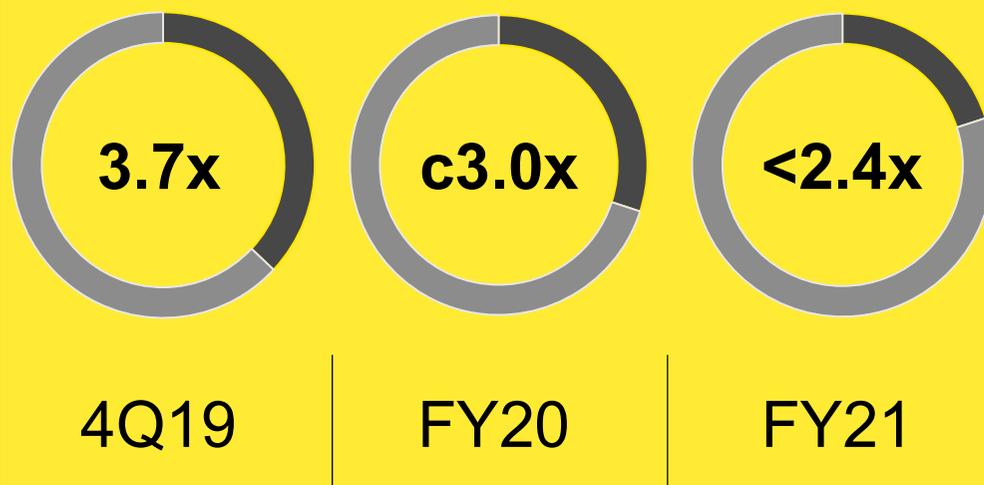
CAPEX outlook

M€



¹ Includes churn related (replacement) commercial capex and maintenance infrastructure CAPEX

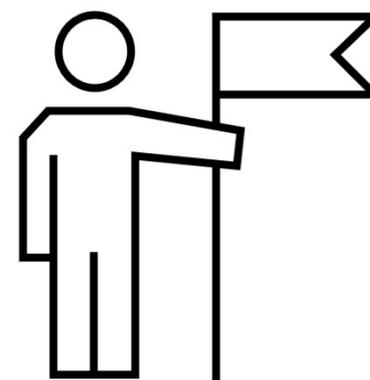
2019-2021 clear deleveraging Path



Based on Adj EBITDA guidance and without vendor
finance for FTTH agreement

SOURCE: Company

2021 equity Free Cash Flow target

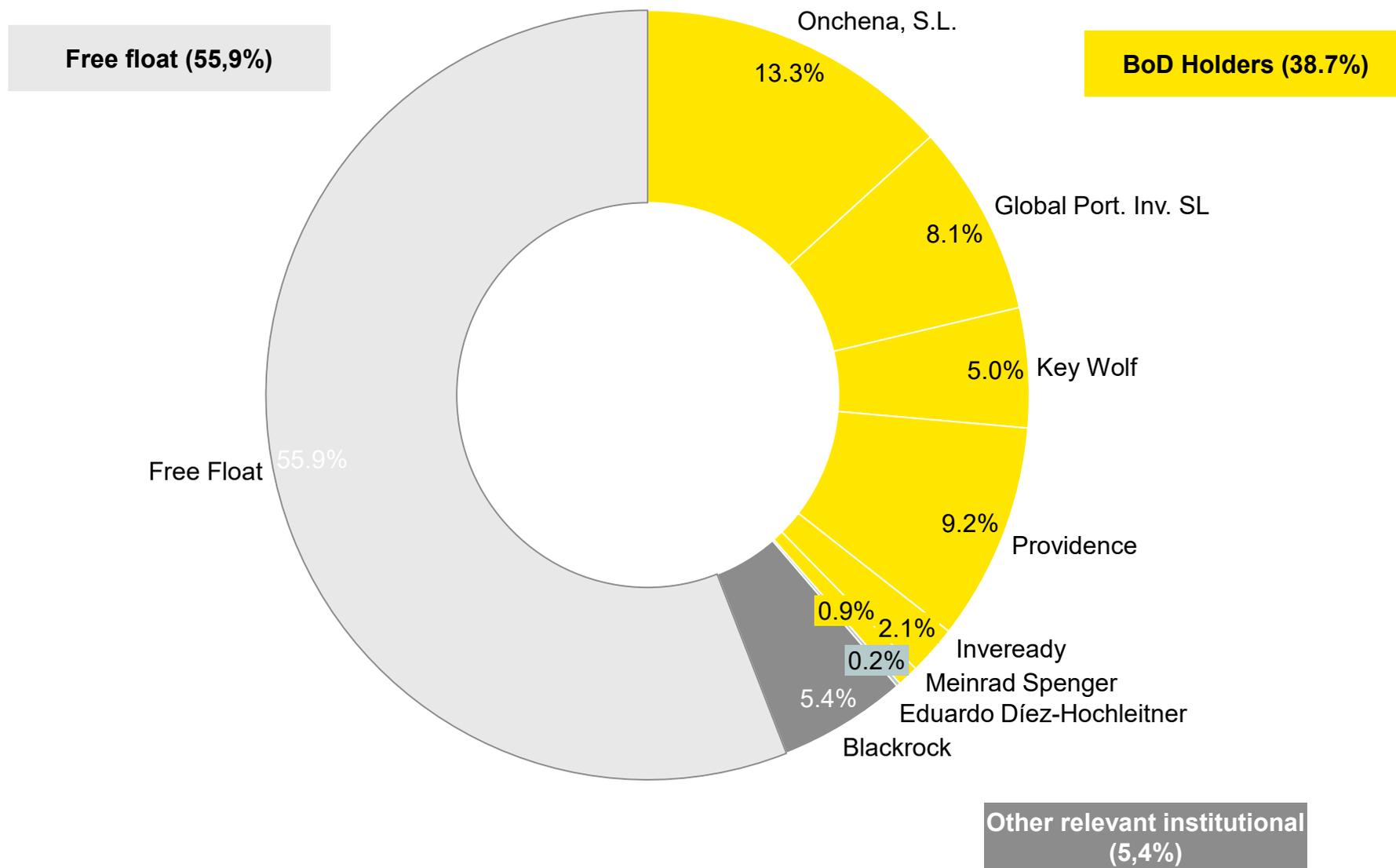


>€2.0

per share

Shareholder Structure

51.2% free float mainly institutional. Number of outstanding shares = 132 M shares



Legal disclaimer

- This document and the conference-call webcast (including the Q&A session) may contain forward-looking statements and information (hereinafter, the “Statements”) relating to MASMOVIL IBERCOM, S.A., and or MASMOVIL Group (hereinafter indistinctly, “MASMOVIL”, the “Company“ or the “Group”) or otherwise. These Statements may include financial forecasts and estimates based on assumptions or statements regarding plans, objectives and expectations that make reference to different matters, such as the customer base and its evolution, growth of the different business lines and of the global business, market share, possible acquisitions, divestitures or other transactions, Company’s results and other aspects related to the activity and situation of the Company.
- The Statements can be identified, in certain cases, through the use of words such as “forecast”, "expectation", "anticipation", “aspiration”, "purpose", “estimates“, “plan” or similar expressions or variations of such expressions. These Statements reflect the current views of MASMOVIL with respect to future events, do not represent, by their own nature, any guarantee of future fulfilment, and are subject to risks and uncertainties that could cause the final developments and results to materially differ from those expressed or implied by such Statements. These risks and uncertainties include those identified in the documents containing more comprehensive information filed by MASMOVIL before the different supervisory authorities of the securities markets in which its shares are listed and, in particular, the Spanish National Securities Market Commission. Except as required by applicable law, MASMOVIL does not assume any obligation to publicly update the Statements to adapt them to events or circumstances taking place after the date hereof, including changes in the Company's business or business development strategy or any other unexpected circumstance.
- This document and the conference-call (including the Q&A session) may contain summarized, non-audited or non-GAAP financial information. The information contained herein and therein should therefore be considered as a whole and in conjunction with all the public information regarding the Company available, including any other documents released by the Company that may contain more detailed information.
- Neither this document nor the conference-call (including the Q&A session) nor any of their contents constitute an offer to purchase, sale or exchange any security, a solicitation of any offer to purchase, sale or exchange of any security, or a recommendation or advice regarding any security..