

# GRUPO MAS MOVIL

## Earnings Presentation – 9M21

November 30<sup>th</sup> 2021



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# MASMOVIL – 9M21 Key Highlights

Growth momentum & integration with EKT continues according to plan



**EKT integration as planned, expected synergies on track**



**Growth** continues in 9M21 despite tough market conditions



**Rep. Service Revs** of **€1.55bn** (+22% YoY) or **€1.93bn** (+10%) **Aggregated<sup>1</sup>**



**Rep. Adj. EBITDA** of **€624** (+46% YoY, or €749m / +13% Aggregated)  
EBITDA margin of 36% (>+5pp YoY) or 35% (+1p.p.) on Aggregated terms



**>3.0M Broadband lines and 14.3M total lines**  
**Fiber footprint reaches 26.8M BUs**



**Net Debt** of **€6.6bn**; **Total leverage** of **5.1x<sup>2</sup>**

1: Euskaltel has been consolidated starting August 2021. Aggregated figures are pro forma to add Euskaltel's pre acquisition results to historical periods to allow like-for-like comparison. Please note that no consolidation adjustments has been reflected except for the transfer from Capex to Operating Costs of Euskaltel's capitalized broadband SAC  
2: Senior secured leverage of 4.2x. See page 16 of this presentation for details

# Operational Milestones & Initiatives

Integration with Euskaltel is progressing well

## **Euskaltel Integration**

- Unified organization implemented
- Pilot of mobile migration successfully finished
- 50% of gross adds of Euskaltel's regional brands already on FTTH
- Netco transaction progressing
- Restructuring of wholesale agreements completed
- Virgin brand included in non-exclusive physical shops

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## **Corporate and Other**

- Portugal: Spectrum auction finished in-line with plans and strong portfolio of frequencies acquired
- Full ownership of GUUK assumed
- New services launched including Home Security & Energy

# Relevant achievements on ESG

Net Zero Emissions & B Corp Certification achieved both in 9M21



**First European Telco to achieve Net Zero Emissions  
at Group level for Scope 1, 2 & 3<sup>1</sup>**



**First European telco obtaining the B Corp certification**



**Environmental management certification ISO 14001  
ratified in November 2021**



**Best talent management & Best Telco to work in Spain<sup>2</sup>**



**First company to partially base its TLB and RCF  
interest margins on its ESG score**

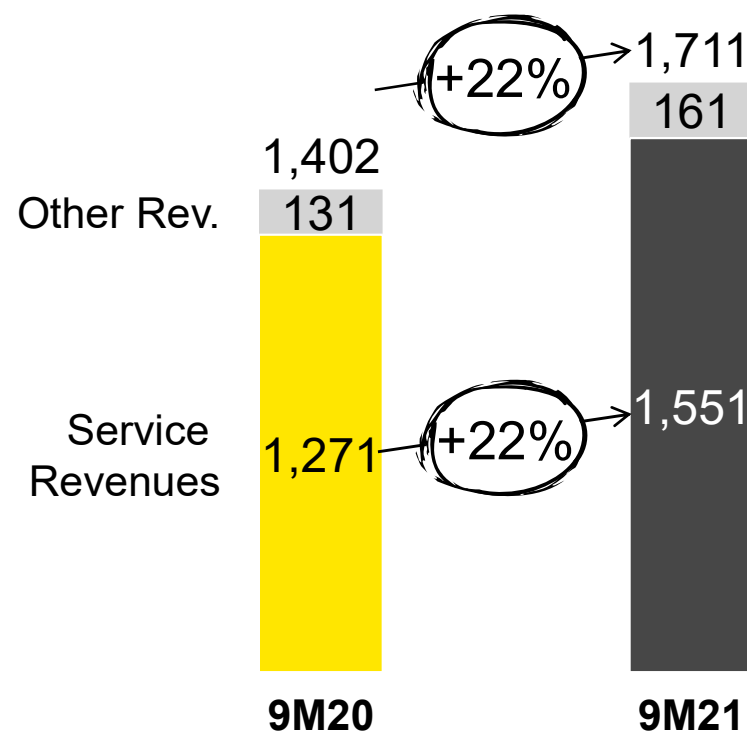
1 Scope 3 for paper, water and toner  
2 According to Actualidad Económica  
Source: Company

# Revenues 9M21

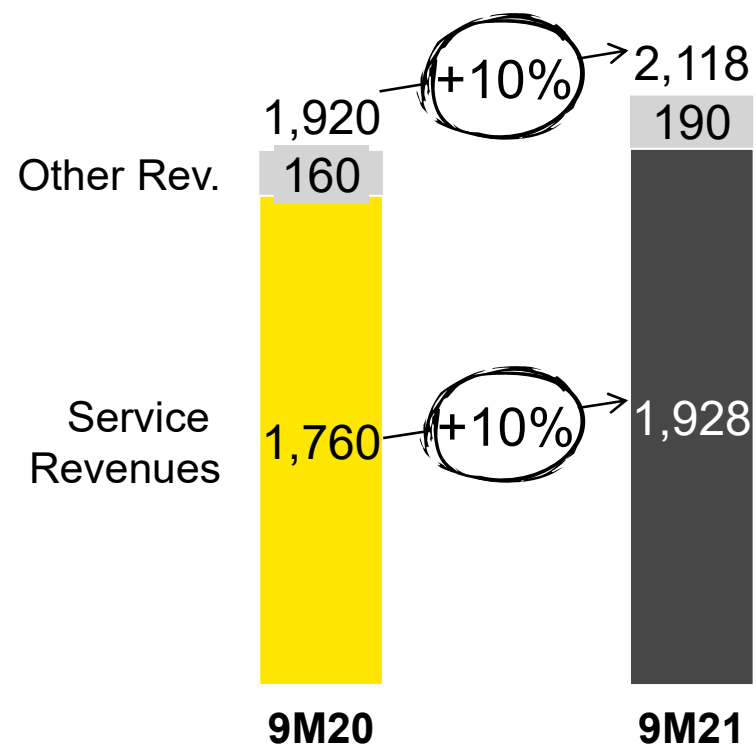
Reported Revenues +22% YoY. Aggregated Revenues +10% YoY

€M

## Reported Revenues



## Aggregated Revenues<sup>1</sup>



1. Euskaltel has been consolidated starting August 2021. Aggregated figures are pro forma to add Euskaltel's pre acquisition results to historical periods to allow like-for-like comparison. Please note that no consolidation adjustments has been reflected except for the transfer from Capex to Operating Costs of Euskaltel's capitalized broadband SAC

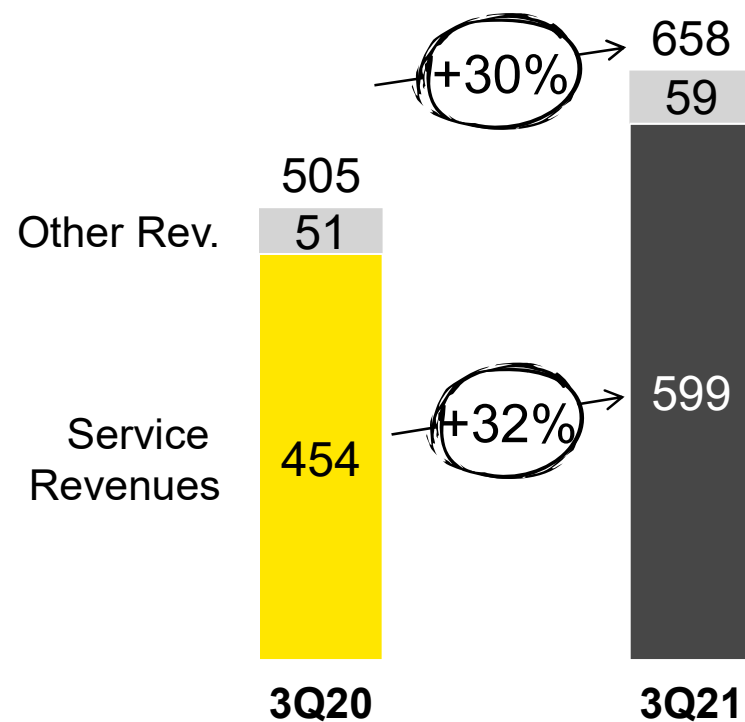
# Revenues 3Q21

Reported Serv. Revenues +32% YoY. Aggregated Serv. Revenues +6% YoY

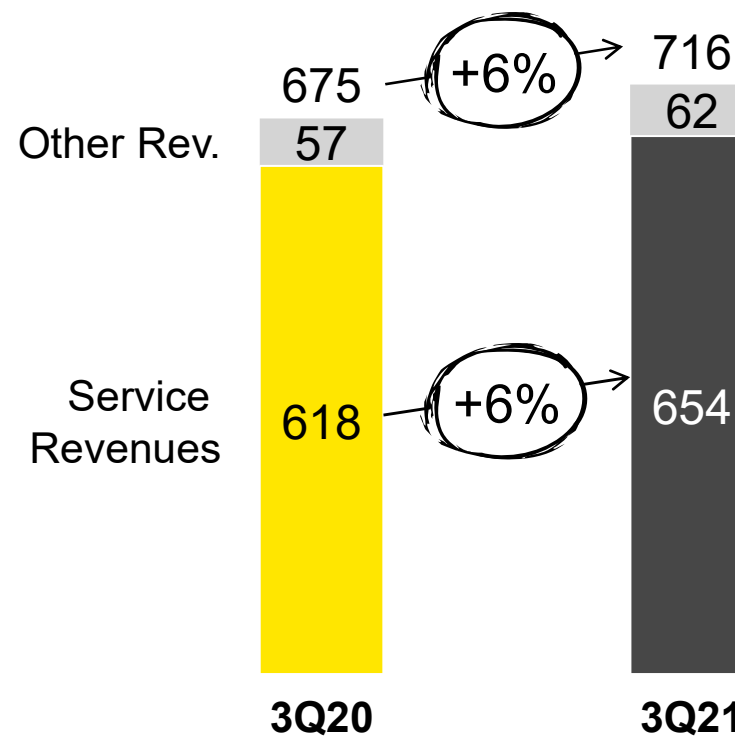
€M

○ % YoY growth

## Reported Revenues



## Aggregated Revenues



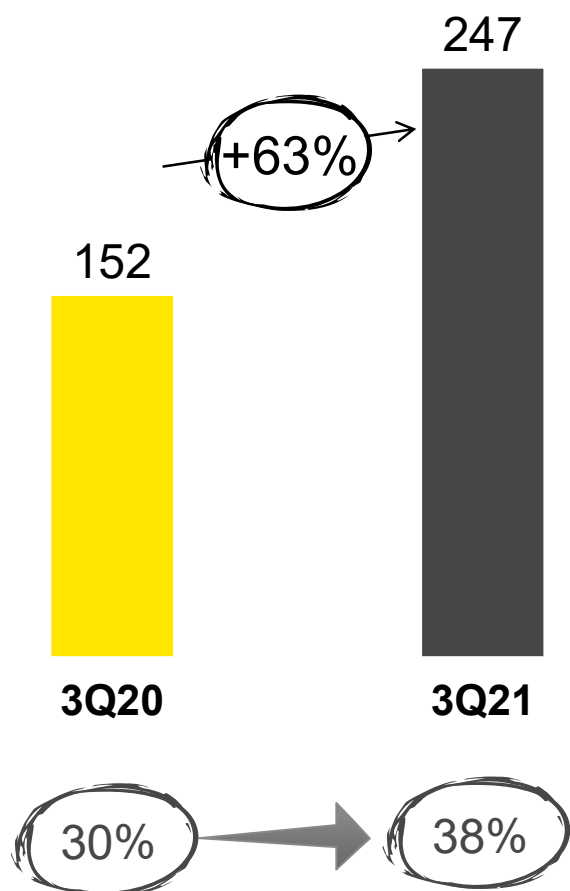


# Reported Adjusted EBITDA

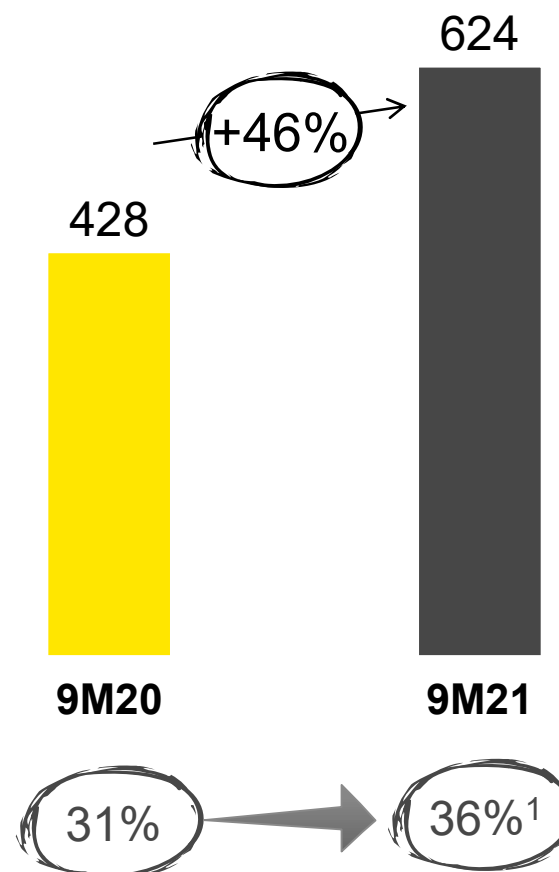
Rep. Adj. EBITDA +46% YoY in 9M21, with 36% Margin

€M

## Reported Adj. EBITDA 3Q21



## Reported Adj. EBITDA 9M21



○ Adj. EBITDA Margin

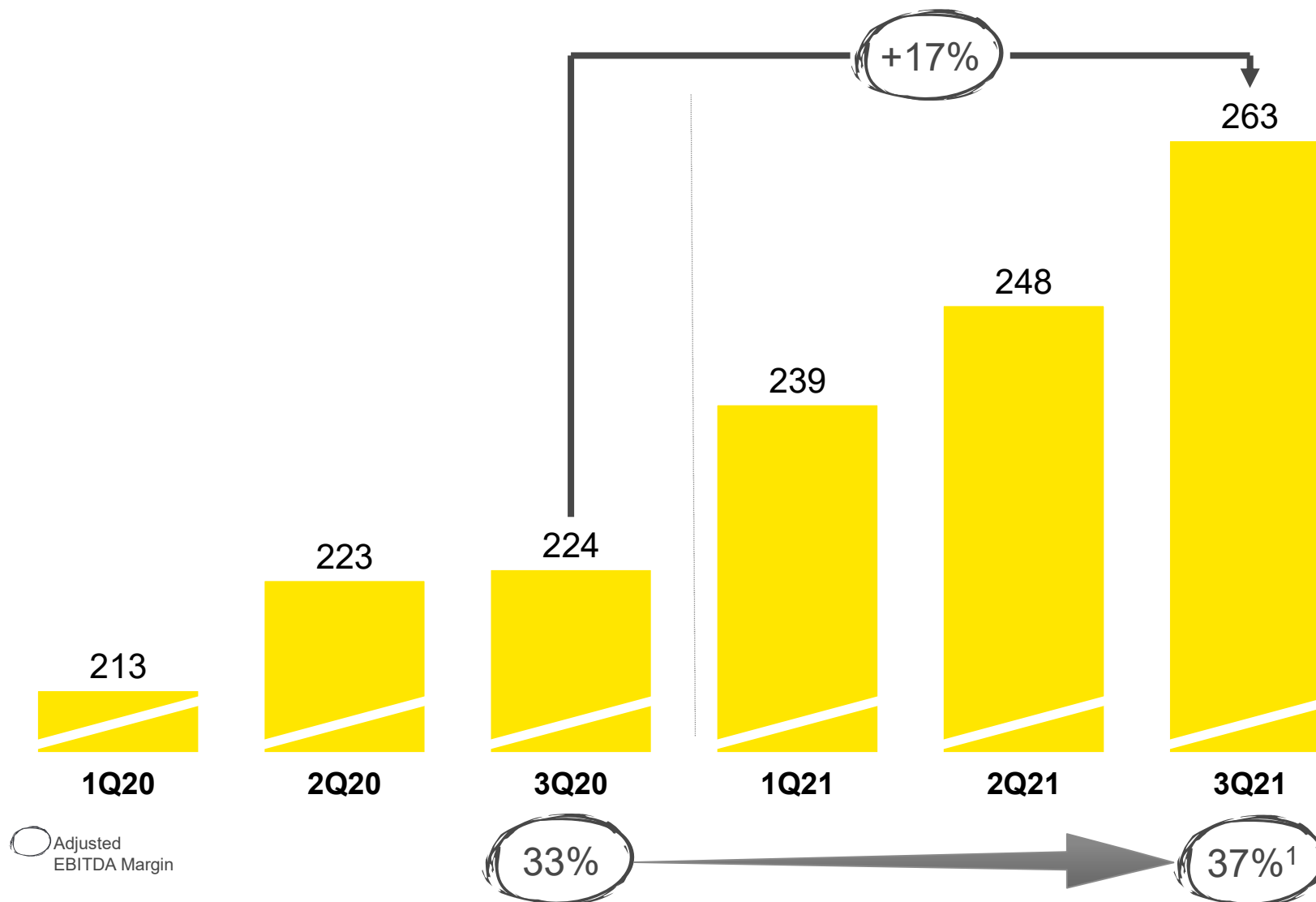
Source: Company

1 9M21 Reported Adj. EBITDA Margin positively impacted by IFRS3 in c.4p.p.

# Aggregated Adjusted EBITDA 3Q21

3Q21 Aggr. Adj. EBITDA YoY growth of +17%, Margin of 37% (+4p.p.)

€M



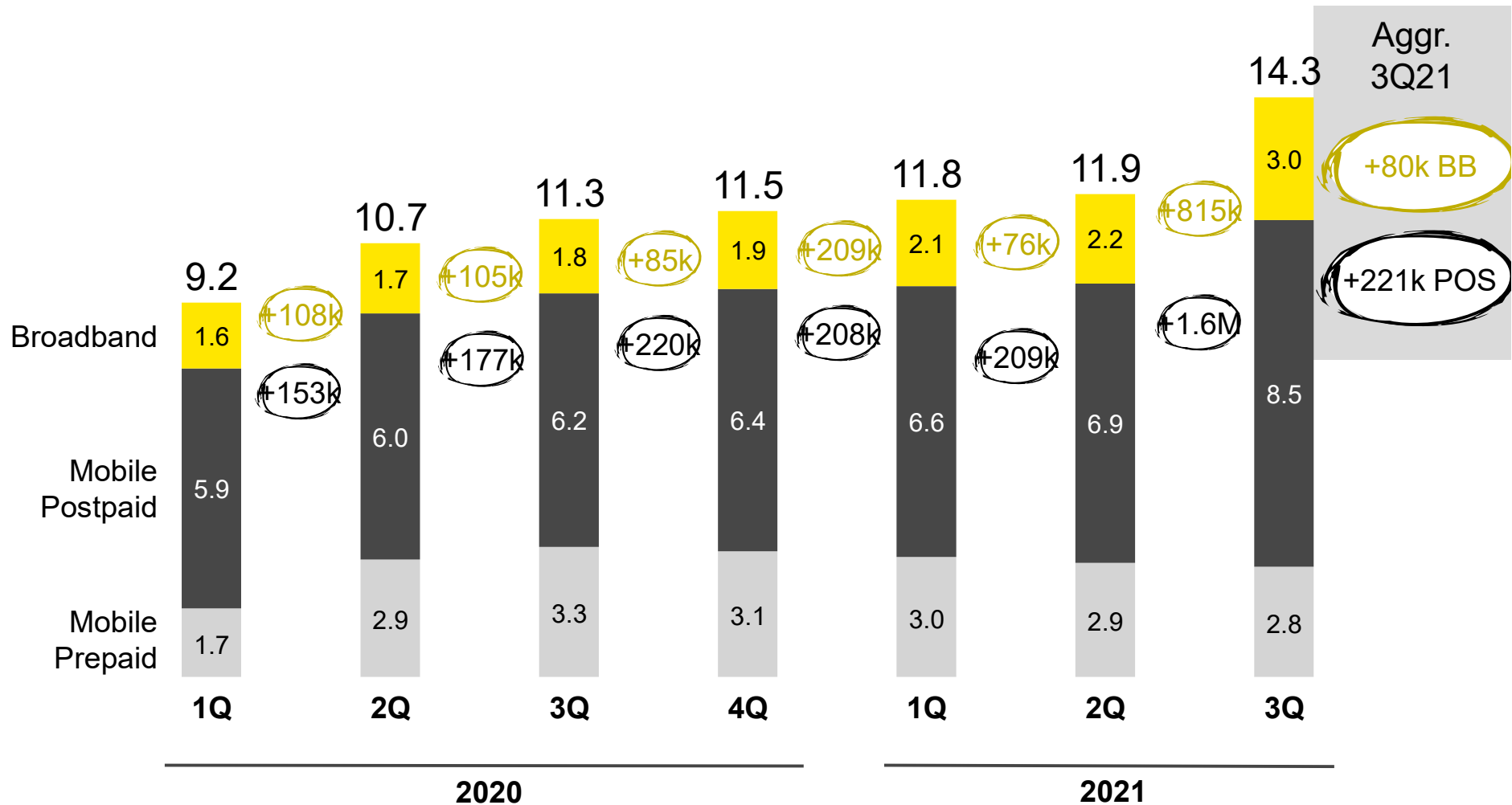
1 3Q21 Aggregated Adj. EBITDA Margin positively impacted by IFRS3 in c.3p.p.

Source: Company

# Evolution of Mobile & Broadband Lines

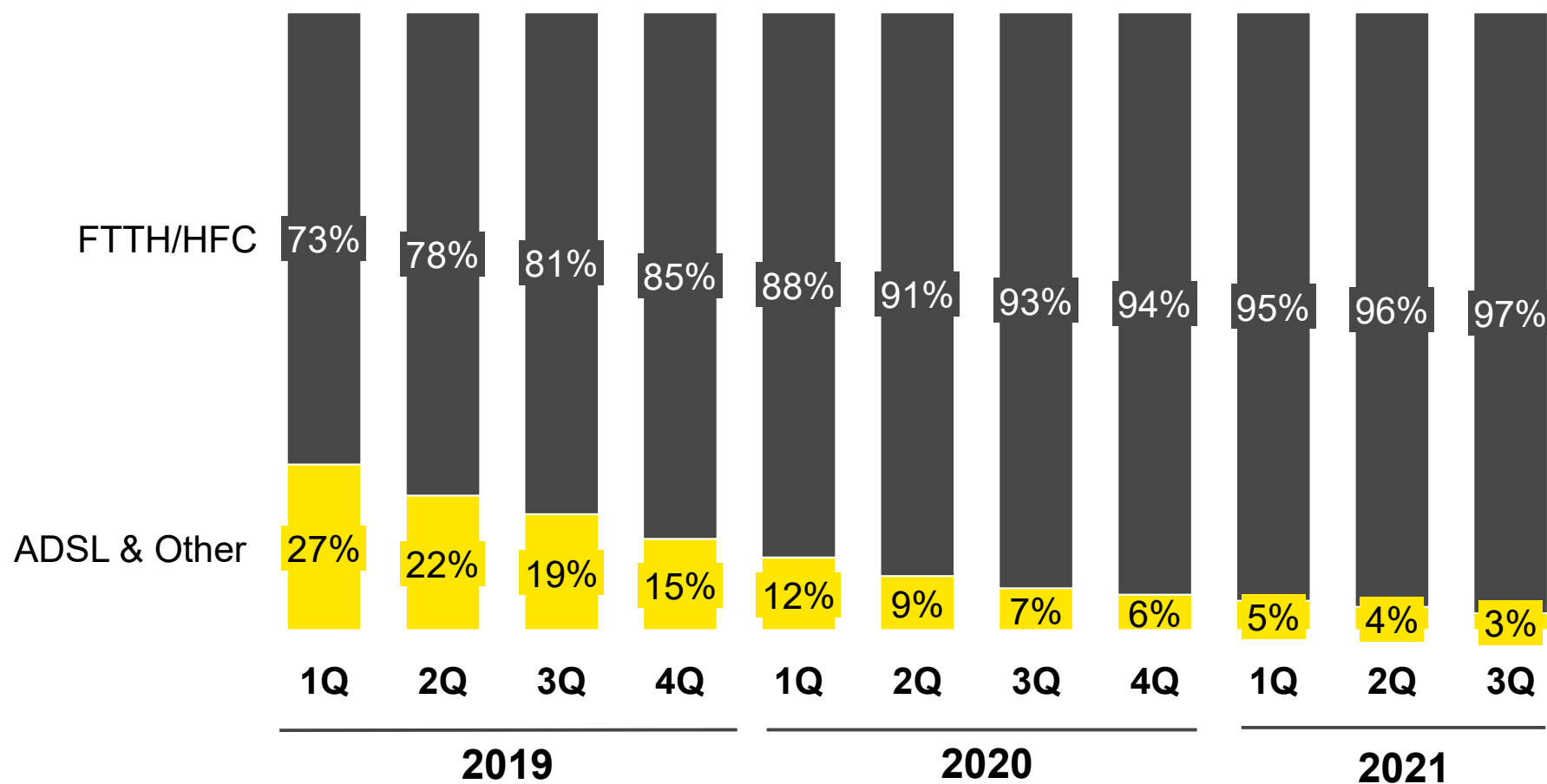
Broadband lines ahead of 3.0M with total lines at 14.3M

Million lines



# Broadband Access by Technology

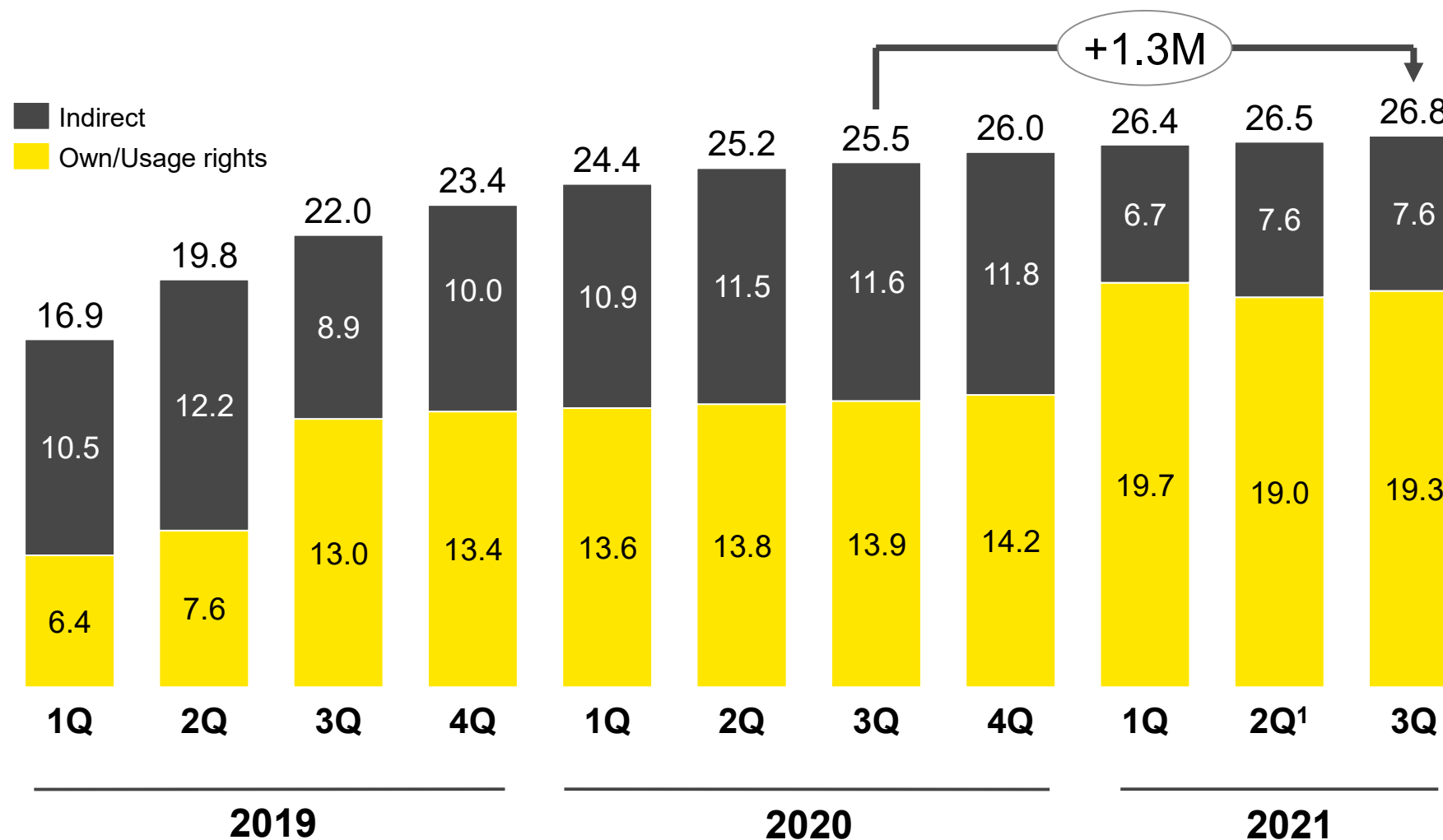
FTTH/HFC share continues to grow & represents 97% of total BB base



# Fiber Footprint Expansion

FTTH footprint reaches 26.8M BUs of which >70% are own/usage rights BUs

Million BUs



<sup>1</sup> Change in mix between Own/Usage rights and Indirect due to sale of FTTH footprint as part of the Ucles project

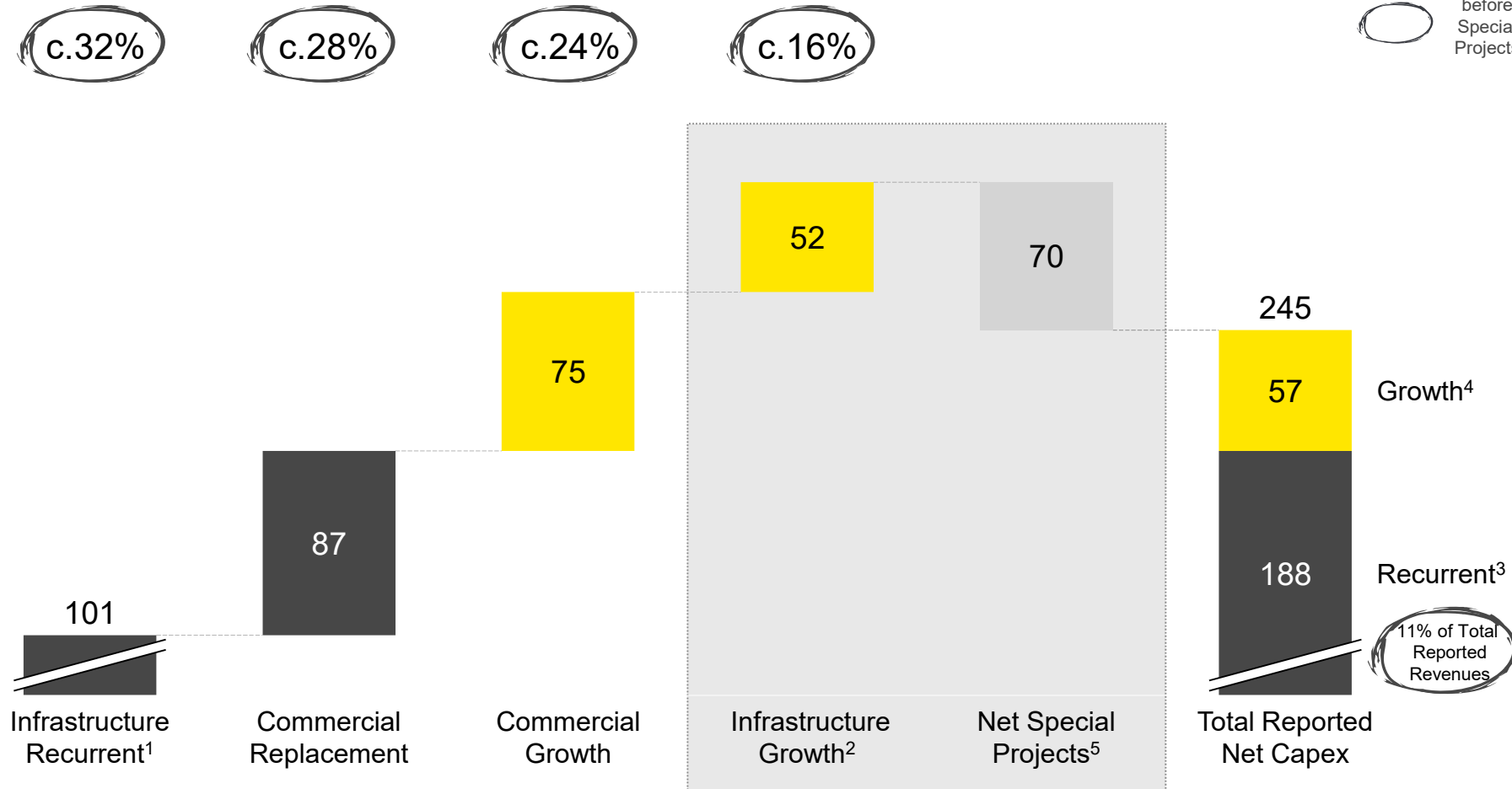
Source: Company

# Reported Net Capex 9M21

Investment in own infrastructure can be kept at moderate levels

€M

○ % of Total before Special Projects



1 Includes all maintenance of both fixed and mobile infrastructures, plus IT & spectrum Capex

2 Includes all infrastructure Capex that is not accounted under maintenance infrastructure Capex

3 Includes churn related (replacement) commercial Capex and maintenance infrastructure Capex

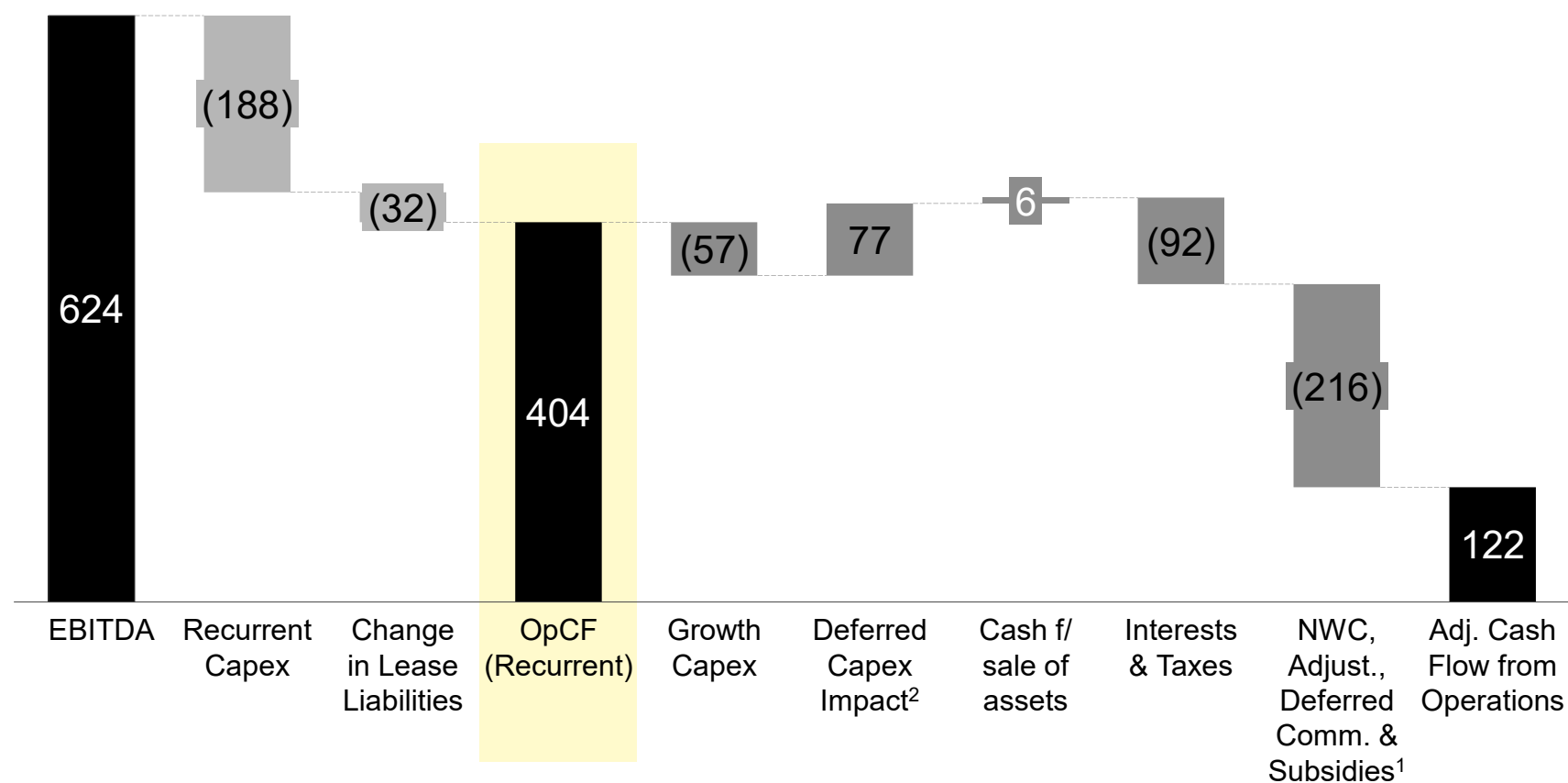
4 Net FTTH network deployment & commercial growth-related capex

5 Monterrei project for €230M capex, net of Ucles project for €300M cash inflow

Source: Company

# Reported Cash Flow From Operations 9M21

Recurrent Operating Cash Flow €404M, with €122M Adj. CF f/ Operations  
€M



<sup>1</sup> Includes IFRS15

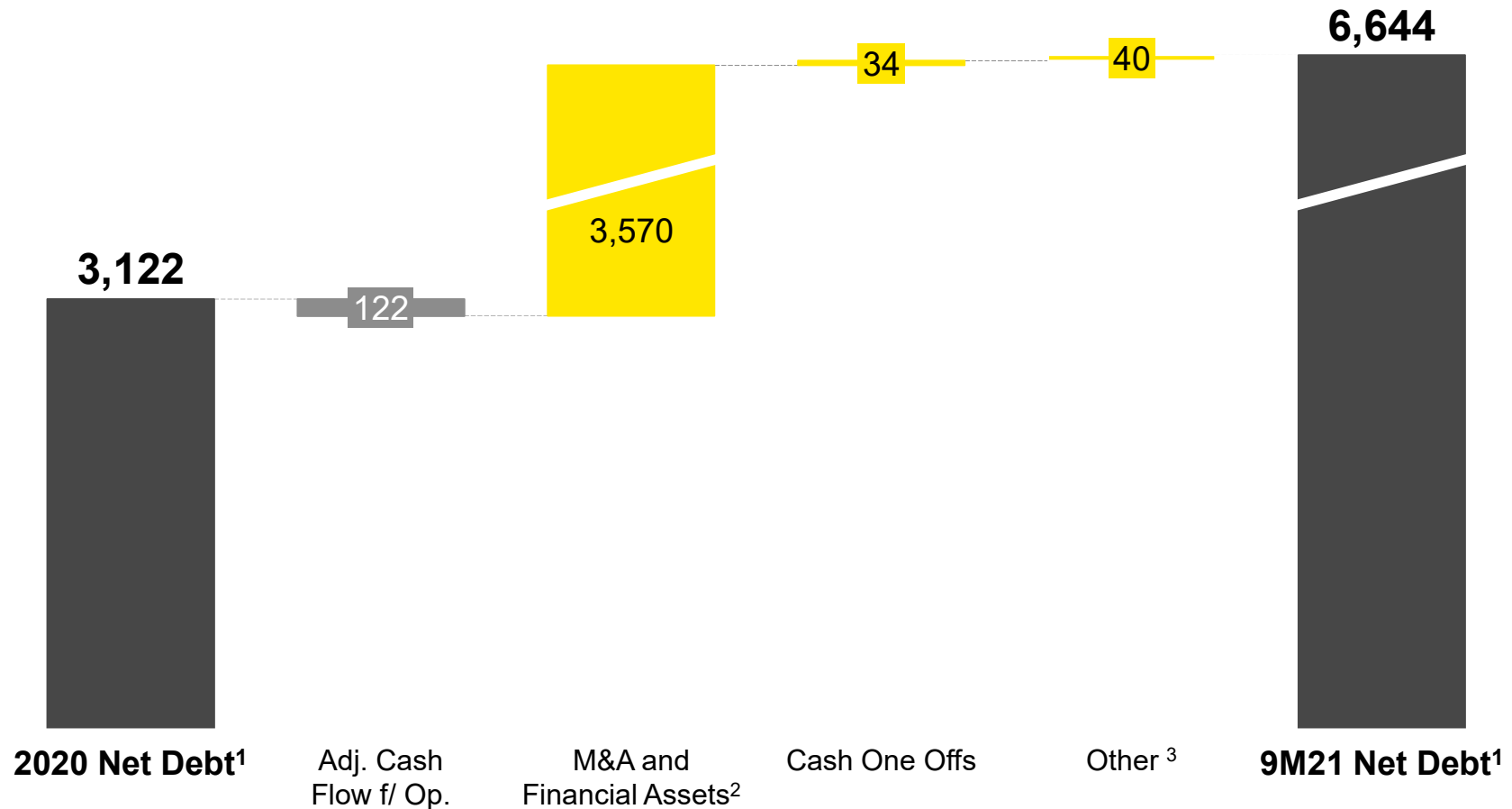
<sup>2</sup> Includes mainly both the Pomelo project and the non-cash Monterrei project (€230M)

Source: Company

# Change in Reported Net Debt 9M21

Net debt reached €6.6bn post Euskaltel acquisition

€M



1 As per Company's calculations, includes asset disposal bridge, excludes IFRS16 financial leases adjustment

2 Mostly due to Euskaltel acquisition. It includes the net debt incorporated at the time of the acquisition for €170M. It also includes one-offs related to the transaction

3 Includes other accrued debt and interest in B/S

Source: Company



# 3Q21 PF Net Debt Structure<sup>(1)</sup>

Net leverage of 4.2x and 5.1x on a senior secured and total basis

€m	Project Erik		Q3-21	
	Amount	xL2QA EBITDA	Amount	xL2QA EBITDA
Cash	(224)		(155)	
TLB1	2 200		2 200	
TLB2	800		1 000	
SSN	2 550		2 350	
<b>Senior Structural Net debt</b>	<b>5 326</b>	<b>4.2x</b>	<b>5 395</b>	<b>4.2x</b>
SUN	500		500	
Commercial paper & other debt	438		444 <sup>(2)</sup>	
Finance leases & Monterrei debt	257		238	
<b>Total Structural Net debt</b>	<b>6 521</b>	<b>5.2x</b>	<b>6 576</b>	<b>5.1x</b>
<b>PF Structuring EBITDA (L2QA)</b>		<b>1 265</b>		<b>1 281</b>



Source: Company. Notes:

1. Pro forma for the NetCo asset disposal and syndication closed in October
2. Including €377m commercial paper, €67m other debt
3. Adjustments as per Erik syndication

**Thanks a lot and see you all next quarter!**



# Appendix



# Income Statement Summary

€M

(€M)	9M20 Reported	9M21 Reported	Growth 9M21/9M20
Service Revenues	1,271	1,551	22%
Other revenues	132	160	21%
<b>Revenue</b>	<b>1,403</b>	<b>1,711</b>	<b>22%</b>
Other operating revenue	39	53	36%
Cost of sales	-918	-1,031	12%
Other operating expenses	-94	-109	16%
<b>Adjusted EBITDA</b>	<b>429</b>	<b>624</b>	<b>46%</b>
Net one-offs	-23	-64	179%
Capital gain sale of assets and loss impairment	-8	243	nm
<b>Reported EBITDA</b>	<b>398</b>	<b>803</b>	<b>102%</b>
Depreciation and amortization	-254	-437	72%
<b>Reported EBIT</b>	<b>144</b>	<b>366</b>	<b>155%</b>
Net financial expenses	-143	-159	11%
<b>Reported Profit before taxes</b>	<b>1</b>	<b>207</b>	<b>nm</b>
Income tax	-1	-22	nm
<b>Net income before minorities</b>	<b>0</b>	<b>186</b>	<b>nm</b>
Minorities	0	1	nm
<b>Reported Net Income/(Loss)</b>	<b>0</b>	<b>187</b>	<b>nm</b>

# Balance Sheet Summary

€M

<i>In thousands of Euros</i>	FY20	9M21
Intangible assets	5,237,183	7,634,080
Property, plant and equipment	754,951	2,005,966
Rights of use	191,433	234,092
Other non current assets	155,812	346,376
Deferred tax assets	-	436,173
<b>Total non-current assets</b>	<b>6,339,379</b>	<b>10,656,687</b>
Inventories	4,122	3,580
Trade and other receivables	281,181	449,198
Other current assets	175,495	271,166
Cash and cash equivalents	81,385	155,251
<b>Total current assets</b>	<b>542,183</b>	<b>879,195</b>
<b>Total assets</b>	<b>6,881,562</b>	<b>11,535,882</b>
<b>Total Equity</b>	<b>1,787,235</b>	<b>1,974,208</b>
Loans and borrowings	2,098,012	5,518,461
Finance lease payables	157,281	195,221
Other financial liabilities	812,376	858,826
Debts with Group Companies	-	179,160
Deferred tax liabilities	14,414	339,186
Other non-current liabilities	305,408	501,786
<b>Total non-current liabilities</b>	<b>3,387,491</b>	<b>7,592,640</b>
Loans and borrowings	7,862	47,527
Current tax liabilities	53	49,414
Other payables	306,817	322,733
Finance lease payables	33,813	44,877
Other financial liabilities	295,750	396,648
Debts with Group Companies	200,935	3,859
Trade and other payables	861,606	1,103,976
<b>Total current liabilities</b>	<b>1,706,836</b>	<b>1,969,034</b>
<b>Total equity and liabilities</b>	<b>6,881,562</b>	<b>11,535,882</b>

# Cash Flow Statement Summary

€M

(Million €)	9M21
Adjusted EBITDA	624
NWC, Adjustments, Deferred Commissions and Subsidies	(216)
Payments from lease liabilities (IFRS16)	(32)
Net Financial expenses	(85)
Corporate tax	(7)
<b>Cash Flow from operations before Capex</b>	<b>284</b>
Accrued Net Capex (before special projects)	(315)
Payments for previous periods Capex	(153)
Cash from sale of assets (includ. special projects)	306
<b>Cash Flow from Capex</b>	<b>(162)</b>
<b>Adjusted Cash Flow from operations</b>	<b>122</b>
One-offs	(77)
<b>Cash Flow from operations</b>	<b>45</b>
M&A	(3,357)
Financing	3,386
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>74</b>

# Net Debt Structure: Reported view

M€

(€m)	9M21
TLB	2,921
Long Term Bridge Loans	2,636
RCF	0
Corporate bond	799
Commercial paper	377
Other bank debt	10
Other Debts (grants, deposits and guarantees)	30
M&A deferred payments	27
Capital Decrease (Minority holding)	0
<b>Total Gross Debt (as per Company's calculations)</b>	<b>6,799</b>
Cash & Equivalents	155
<b>Group's Net Debt (as per Company's calculations)</b>	<b>6,644</b>

Source: Company

Please note that previous figures are calculated excluding some debts, mainly debts without cash interest charges or with shareholders, including €238M of financial leases under IFRS16 accounting practices

1 Leverage calculated using 9M21 Net Debt detailed above and LTM MASMOVIL Group's Adjusted EBITDA post-IFRS + LTM Euskaltel's EBITDA post-IFRS + Run-rate effect of all synergies that can be obtained in the 24th month after the acquisition