



PLT VII Finance S.à r.l. Q4 2022 Results

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Agenda

1

Key Highlights

2

Trading Update

3

Events Occurred after the Reporting Date

4

Q&A



1. Key Highlights



Key Highlights

Comments

Bité Group

- Service Revenues increased by 10% YoY to €113m in Q4'22, primarily reflecting the solid performance across all segments
- Adjusted EBITDA increased by 17% YoY to €49m, significant electricity cost increase was offset by strong top-line performance
- Operating Cash Flow was lower by 10% mainly due to higher investments into 5G rollout
- Capex level is higher in Q4'22 due to extensive 5G rollout development in Lithuania and Latvia
- The total number of RGUs increased by 4% YoY, reaching 2.9m at the end of Q4'22

Mobile

- Mobile business growth was driven by multiple price revisions for the Postpaid and Data only base in Lithuania and Latvia

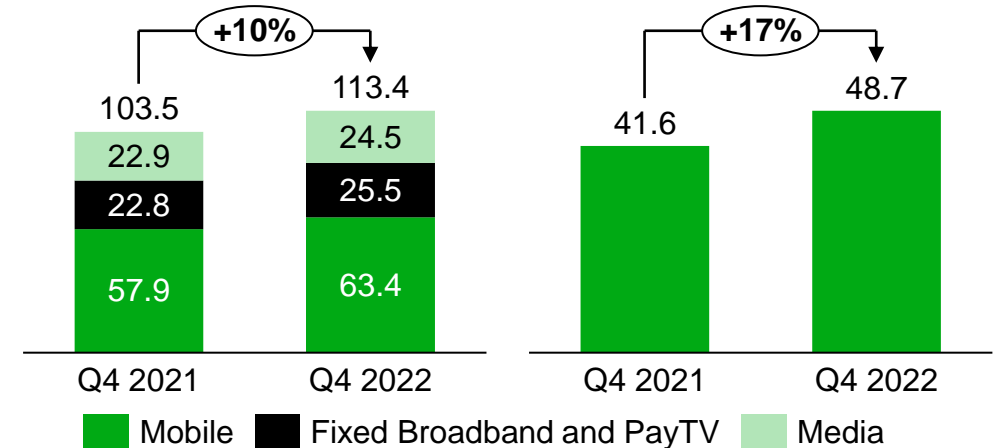
Fixed Broadband and PayTV

- Fixed Broadband and PayTV business growth was driven by ARPU increase YoY in both segments, organic PayTV base growth and partial price revision for PayTV base

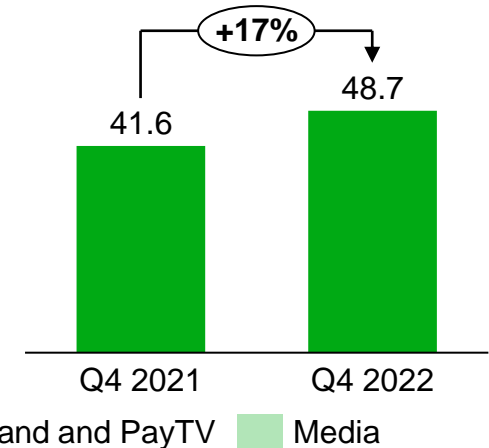
Media

- In Q4'22, the Media business grew YoY, which was mainly driven by an increase in TV advertising sales in Lithuania and Latvia

Service Revenue, €m



Adjusted EBITDA, €m

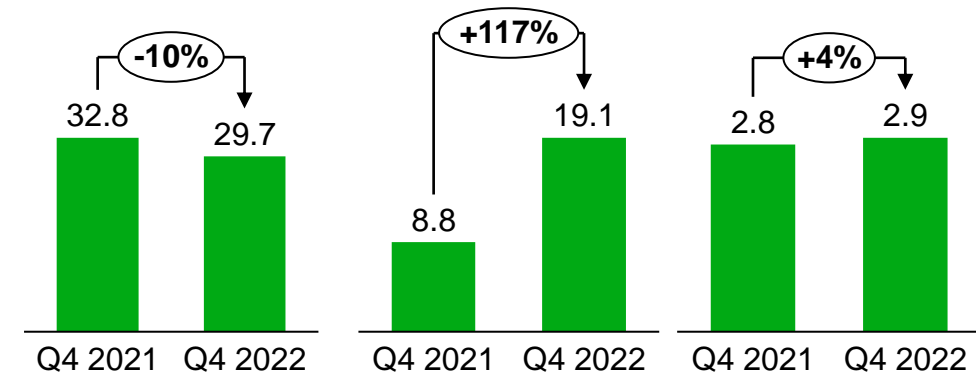


Operating

Cash Flow⁽¹⁾, €m

Adjusted CAPEX, €m

Total RGUs⁽²⁾, m



(1) Operating cash flow defined as Adjusted EBITDA minus Adjusted Capex
 (2) IoT are excluded from total number of RGUs

Comments

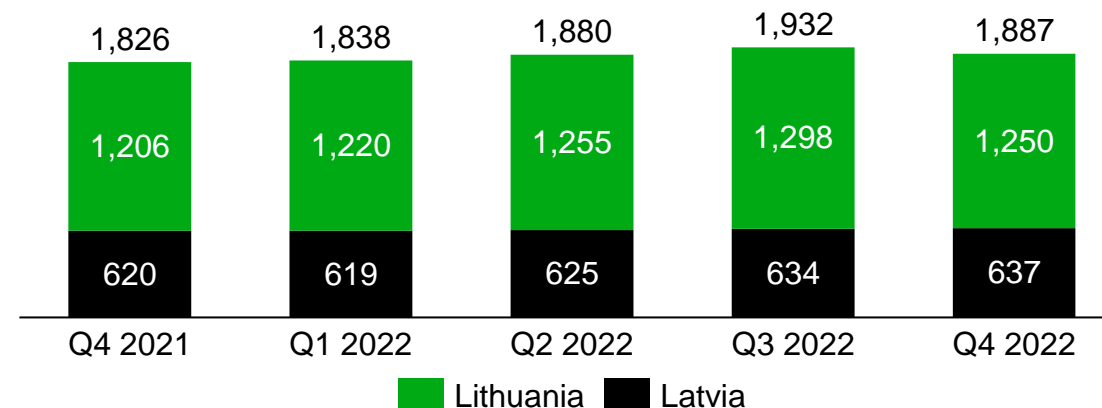
Lithuania

- Mobile RGUs increased by 44k YoY in Q4'22, Postpaid added +25k (mostly B2B), Data only +38k and Prepaid decreased by -19k. QoQ decrease was driven by one-off adjustment of Prepaid customer base⁽²⁾
- The ARPU grew both YoY and QoQ due to implementation of multiple price revisions for the Postpaid and Data only user base. This more than offsets decline in interconnect rates

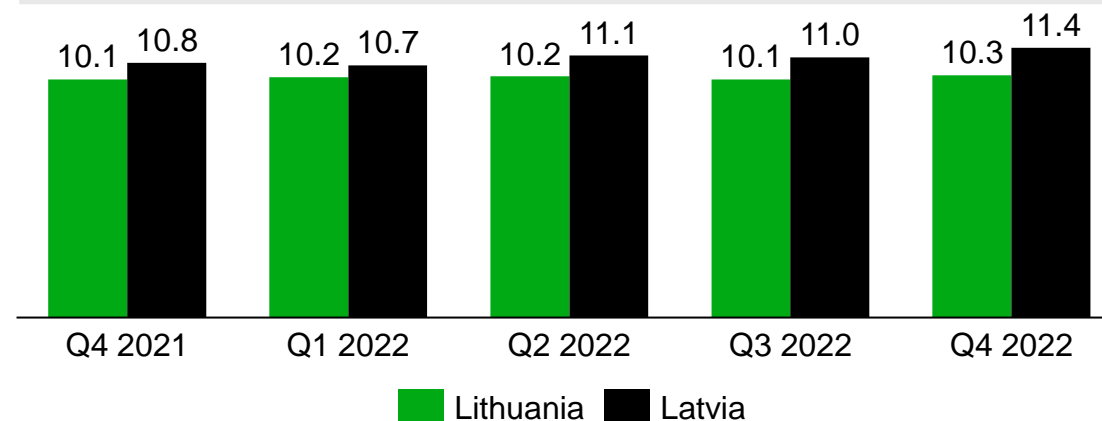
Latvia

- Mobile RGUs increased by 17k YoY in Q4'22, Postpaid added +6k, Data only +5k and Prepaid increased by +6k
- Similarly to Lithuania ARPU in Latvia grew both YoY and QoQ more than offsetting the negative impact on ARPU due to interconnect rates decline

Mobile RGUs⁽¹⁾, th.



Mobile ARPU⁽¹⁾, € per month



(1) IoT are excluded from the Mobile RGUs and ARPU; IoT RGUs at the end of Q4'22 were 304k
 (2) RGUs is not adjusted on PF basis for written off prepaid numbers

Fixed Broadband & PayTV Segment

Comments

Fixed Broadband

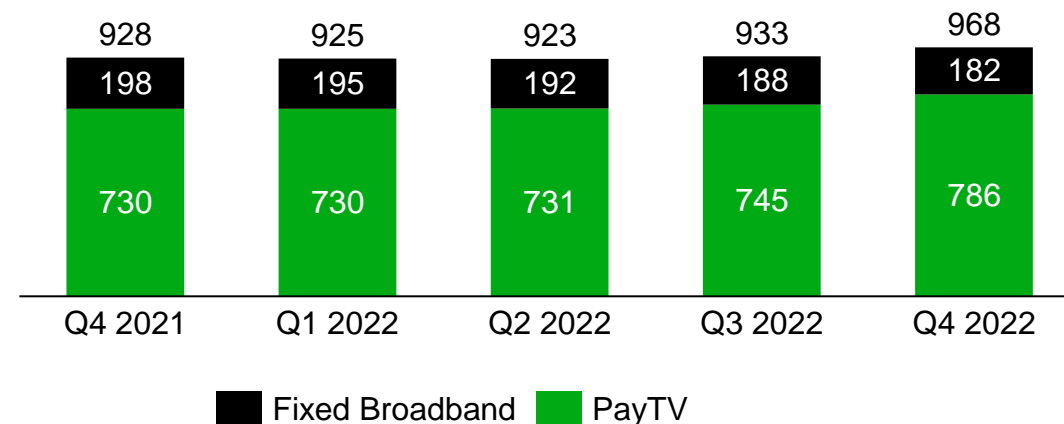
- Fixed Broadband RGUs base decreased by 16k YoY, mainly due to churn increase as a result of active upselling. Also, Mezon customers continued to migrate to the Data only mobile plans
- The ARPU grew, both YoY and QoQ, mostly due to the organic growth of the ICT business and successful end of the year higher value client acquisition

PayTV

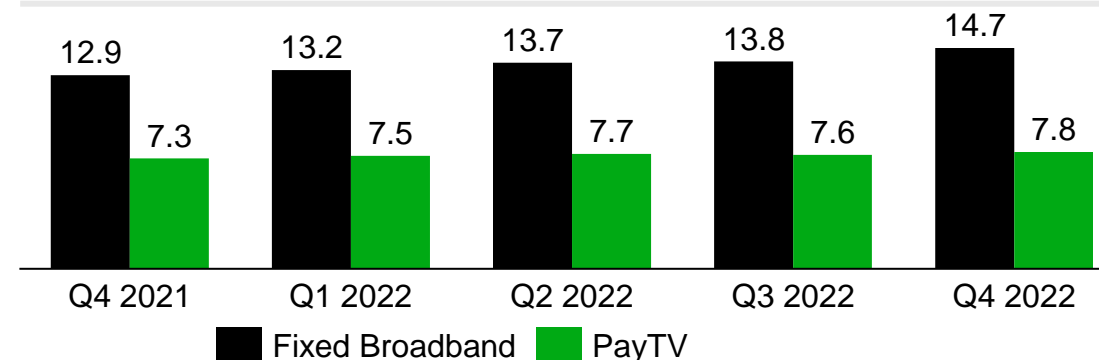
- PayTV RGUs decline in DTH (-9k), VO ⁽¹⁾ (-17k) and Baltcom RGUs (-14k) was more than offset by strong OTT RGUs growth (+96k) YoY in Q4'22
- Strong growth of the OTT RGUs was driven by OTT cross-selling to our Mobile base as well as strong growth in open market base and our partners' base. During Q4'22 cross-selling contributed 19k RGUs. Open market and partnership contribution of 27k RGUs during the quarter was driven by new Autumn programming season with new original productions, international acquired titles and sports
- The ARPU increased YoY mainly due to revised prices for a part of the OTT RGUs in Lithuania and Latvia, and upselling of our OTT base to higher packages

(1) VO – sales of premium sports and movie channel packages to end customers via other PayTV operators

Fixed Broadband and PayTV RGUs PF⁽²⁾, th.



Fixed Broadband and PayTV ARPU € per month PF



Comments

Media revenue

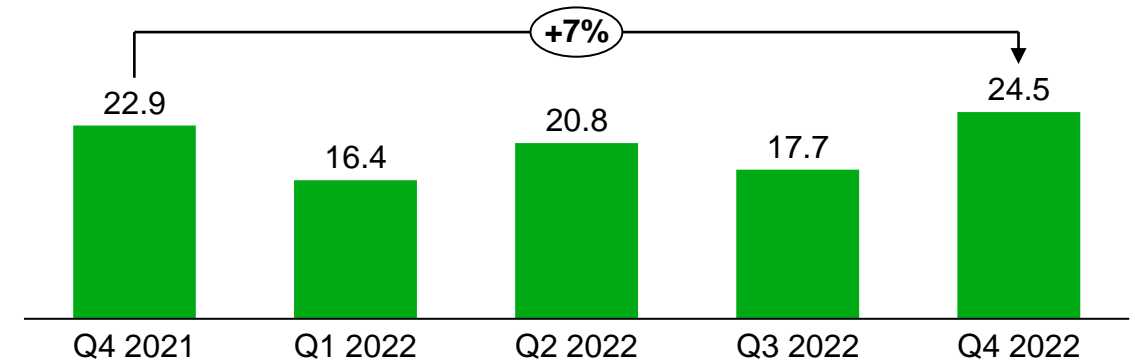
- In Q4'22, the Media business exceeded the same quarter last year; this was mainly driven by the TV advertising and radio sales increase

Commercial share of viewing

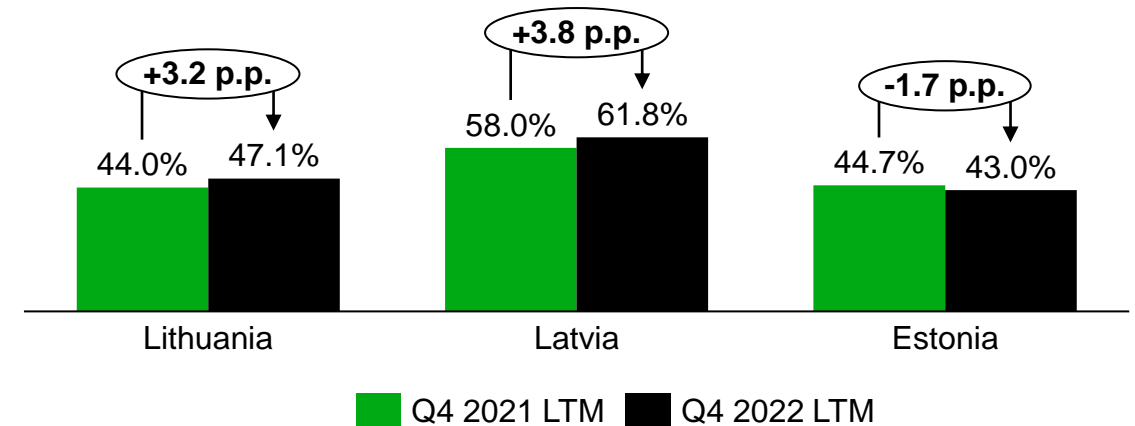
TV3 Group has maintained its #1 position in Latvia and Lithuania:

- In Lithuania, the TV3 Group CSOV increased by 3.2 p.p., as all TV3 Group channels performance was strong due to successful programing schedule and launch of a new 3+ channel dedicated for Russian speaking audience
- In Latvia, the TV3 Group CSOV increased by 3.8 p.p. compared to last year, mainly driven by strong TV3, TV3 Life and 3+ (targeted Russian speaking audience) channels programming performance ⁽¹⁾
- In Estonia, the combined TV3 Group CSOV decreased by 1.7 p.p. YoY due to unexpected increase in programming investment by our main competitor

Media Revenue development, €m



Commercial share of viewing (CSOV), TG 15-59



(1) The national channels in Latvia (LTV1 and LTV7) became noncommercial. In order to have comparable data, the CSOV was restated for previous periods



2. Trading Update



- The financials presented herein have been consolidated at the PLT VII Finance S.à r.l. level and prepared in accordance with the IFRS
- From 1 January 2018, the Group adopted new standards for its IFRS 16 'Leases', IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments'
- The analysis is based on audited financial information for the year 2022 and unaudited information for the Q4 of 2022. Comparable information for the year 2021 and the Q4 of 2021 has been provided
- All financial information is presented in millions of euro, unless it is otherwise stated
- "Adjusted EBITDA" represents the EBITDA, as adjusted for certain items that the Group's management considers to be exceptional, non-cash or non-recurring in nature
- "*Adjusted EBITDA pro forma*" for the twelve months ending on 31 December 2022 represents the Adjusted EBITDA for the twelve months ending on 31 December 2022, after giving a pro forma effect to the estimated annual impact of certain anticipated synergies and cost savings that we expect to realise as a result of the acquisitions

Comments

- Service revenue grew by 9.5% YoY in Q4'22. Mobile growth by 9% was driven by multiple price revisions for the Postpaid and Data only base in Lithuania, Postpaid base repricing in Latvia and strong RGUs base growth. Fixed Broadband and PayTV grew mostly due to strong OTT base development and partial price revision in Q4'22, ARPU increase and strong ICT performance. Media growth was mainly driven by the TV and radio advertising sales increase in Lithuania and Latvia
- Equipment and other revenue grew by 20% YoY in Q4'22. The impact to EBITDA was limited as increase in revenue was fully offset by equipment costs
- Adjusted EBITDA increased by 17% in Q4'22
- Employee compensation increased mainly due to the general inflation / wage growth in the markets
- Roaming and interconnect costs declined due to the reduced interconnect rates in Lithuania and Latvia. Nevertheless, impact of the interconnect rates reduction to the bottom line was immaterial
- Other costs increased due to the growth of electricity prices

Financials

€m	Q4 2021	Q4 2022	YoY (%)	YTD 2021	YTD 2022	YoY (%)
Mobile	57.9	63.4	9.4%	227.7	243.7	7.1%
Fixed Broadband and PayTV	22.8	25.5	12.1%	87.1	97.8	12.3%
Media	22.9	24.5	7.2%	73.6	79.5	8.0%
Service Revenue	103.5	113.4	9.5%	388.3	421.0	8.4%
Equipment and other	27.3	32.8	20.3%	91.2	108.8	19.3%
Total Revenue	130.8	146.2	11.8%	479.5	529.8	10.5%
Equipment costs	(24.9)	(30.9)	24.1%	(84.0)	(102.2)	21.7%
Employee compensation & benefit	(19.0)	(21.6)	13.6%	(72.5)	(79.3)	9.4%
Content and programming costs	(14.6)	(14.7)	0.5%	(49.1)	(49.6)	1.1%
Roaming and interconnect costs	(7.8)	(6.7)	(15.1%)	(32.4)	(26.5)	(18.2%)
Other costs ⁽²⁾	(23.8)	(24.8)	4.4%	(85.1)	(95.8)	12.6%
One-offs and other adjustments ⁽¹⁾	0.9	1.2	26.7%	3.8	2.0	(46.0)
Adjusted EBITDA	41.6	48.7	17.2%	160.2	178.4	11.3%
<i>% Margin</i>	31.8%	33.3%		33.4%	33.7%	

(1) One-offs and other adjustments mainly included costs related with integrations of acquired companies

(2) Other costs included materials, consumables and maintenance costs, advertising and marketing costs, media distribution and transponder costs, amortisation of capitalised contract costs and others

Comments

- Mobile Capex level increased in Q4'22 as planned due to extensive 5G rollout development in Lithuania and Latvia. 250 base stations were completely modernized to 5G, which provided 5G coverage to 24% and 16% of the population in Lithuania and Latvia, respectively
- Fixed Broadband and PayTV Capex is higher in Q4'22 comparing to previous year due to successful development of ICT business

Capex⁽¹⁾

€m	Q4 2021	Q4 2022	YTD 2021	YTD 2022
Mobile	6.2	16.2	25.4	38.3
Fixed Broadband and PayTV	2.0	2.6	6.7	7.9
Media	0.5	0.3	0.8	0.6
Capex	8.8	19.1	33.0	46.8
% revenue	6.7%	13.0%	6.9%	8.8%

(1) Capex is accounted on a cash basis

Comments

- Bitė maintained the strong cash generation with a cash conversion rate⁽²⁾ of ~61% in Q4'22 despite the heavy investments into 5G
- Positive NWC change in Q4'22 was driven mainly by better inventory level management in Telco business and accounts payable improvement through an additional supplier financing arrangement and improvements of payments terms
- Yearly negative NWC change was driven mainly by inventory increase in Media business due to increased focus on own production and filled gaps with new acquisitions after removal of Russian content. Growth of accounts receivable impacted by higher equipment sales and service revenue growth. Negative impact was partly offset by improvement in accounts payable. Comparing to 2021 change in NWC improved by 29% in 2022
- Tax payments increase in Q4'22 was driven by higher quarterly advance tax which was calculated on respectively increased annual 2021 total revenue and profit before taxes in Lithuania as well as no longer applied Investment Project tax incentive
- Final payment for Microlines Group were paid in Q4'22. While in Q4'21 part of purchase prices for Mezon business, Dautcom TV SIA, Microlines Group and Top radio were paid

Cash Flow

€m	Q4 2021	Q4 2022	YoY (%)	YTD 2021	YTD 2022	YoY (%)
Adjusted EBITDA	41.6	48.7	17.2%	160.2	178.4	11.3%
% margin	31.8%	33.3%		33.4%	33.6%	
Adjusted Capex	(8.8)	(19.1)	116.8%	(33.0)	(46.8)	42.0%
% of revenue	(6.7%)	(13.1%)		(6.9%)	(8.8%)	
Operating Cash Flow⁽¹⁾	32.8	29.7	(9.6%)	127.3	131.6	3.4%
% Cash Conversion ⁽²⁾	78.8%	60.8%		79.4%	73.8%	
Change in NWC	6.8	9.0	32.4%	(17.6)	(12.4)	(29.3%)
One-offs and other adj. ⁽³⁾	(0.9)	(1.2)	26.7%	(3.8)	(2.0)	(46.0%)
Taxes	(1.4)	(2.3)	57.6%	(7.8)	(11.9)	53.8%
Cash Flow pre-acquisitions	37.2	35.2	(5.4%)	98.2	105.2	7.1%
Acquisitions	(5.6)	(1.2)	(78.7%)	(20.4)	(4.8)	(76.6%)
Cash Flow pre-financing	31.6	34.0	7.6%	77.8	100.4	29.1%

(1) Operating Cash Flow is defined as the Adjusted EBITDA minus the Total Adjusted Capex

(2) Defined as the Operating Cash Flow / Adjusted EBITDA

(3) One-offs and other adjustments for mainly included costs related with integrations of acquired companies

Capital Structure

Capitalisation

	31 December 2022		Maturity
	€m	x Adj. EBITDA	
Cash and cash equivalents	(42.6)		
Other financial debt	0.0		
Senior Secured Notes	475.0		January 2026
Floating Rate Notes	250.0		January 2026
Net senior secured debt	682.4	3.8x	
Lease liabilities	59.6		
Net total debt	742.0	4.2x	
New SSRCF (undrawn) ⁽¹⁾	50.0		April 2025
Adj. EBITDA pro forma (LTM)	178.4		
<i>Total Liquidity</i>	92.6		

(1) €1m of SSRCF limit was reserved for issuing guarantees, which was necessary to enter into IoT smart metering contract

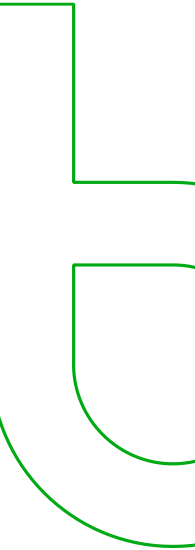


3. Events Occurred after the Reporting Date



Events Occurred after the Reporting Date

- On 25 January 2023, the Group subsidiary All Media Lithuania UAB signed an agreement regarding the shares purchase of M-1 Group. The closing of the deal is subject to regulatory approvals due in the second half of year 2023



4. Q&A

Contacts

For more information visit:
<https://www.bitegroup.net/>

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