# PLT VII Finance S.à r.l.
# Q1 2023 Results

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# Agenda

1 Key Highlights

2 Trading Update

3 Q&A


# 1. Key Highlights

# Key Highlights

## Comments

**Bitė Group**

- Service Revenues increased by 8% YoY to €107m in Q1'23, primarily reflecting the solid performance across all segments
- Adjusted EBITDA increased by 10% YoY to €44m on the back of strong top-line performance
- Operating Cash Flow decreased by 45% YoY mainly due to high investments into 5G rollout which is as planned
- Capex level is higher in Q1'23 due to accelerated 5G rollout in Lithuania and Latvia
- The total number of RGUs increased by 5% YoY, reaching 2.9m at the end of Q1'23

**Mobile**

- Mobile business grew due to YoY growth in RGUs, Postpaid and Prepaid base price increase both in Lithuania and Latvia in Q4'22

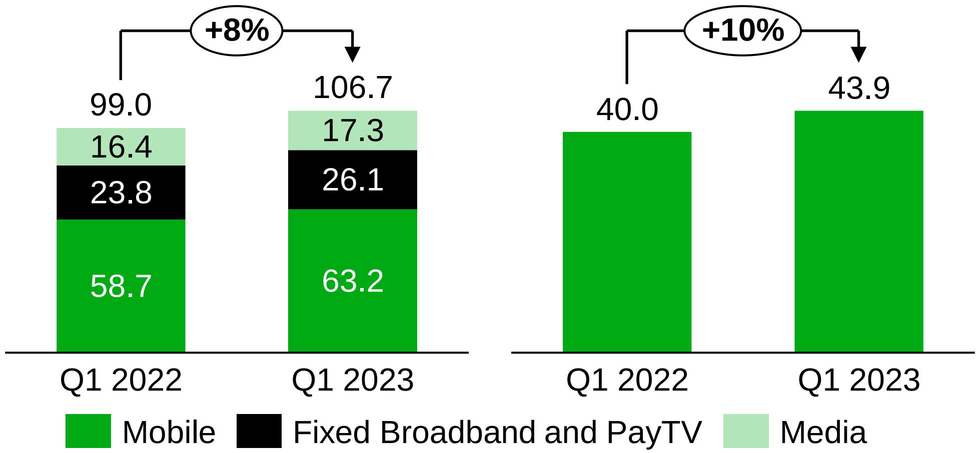
**Fixed Broadband and PayTV**

- Fixed Broadband ARPU increased due to organic ICT business growth while PayTV grew YoY on the back of strong OTT RGUs growth and ARPU increased due to revised prices

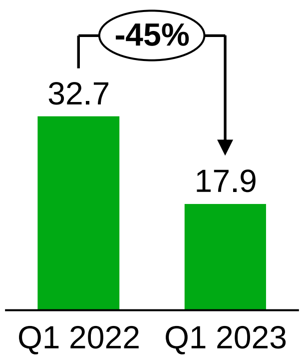
**Media**

- In Q1'23, the Media business grew by 5% YoY as a result of a strong performance of all advertising services (TV, radio & digital) across all countries

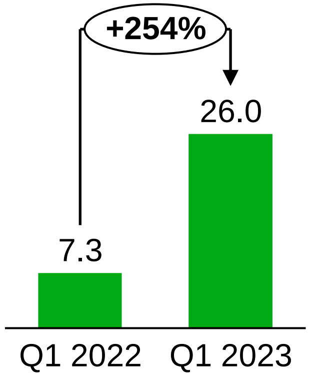
**Service Revenue, €m** | **Adjusted EBITDA, €m**



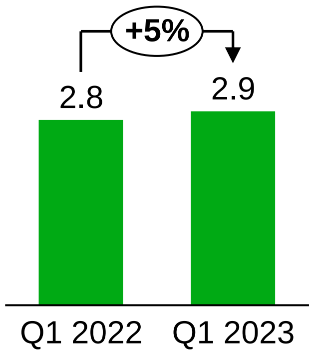

**Operating Cash Flow(1), €m**




**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

# Mobile Segment

## Comments

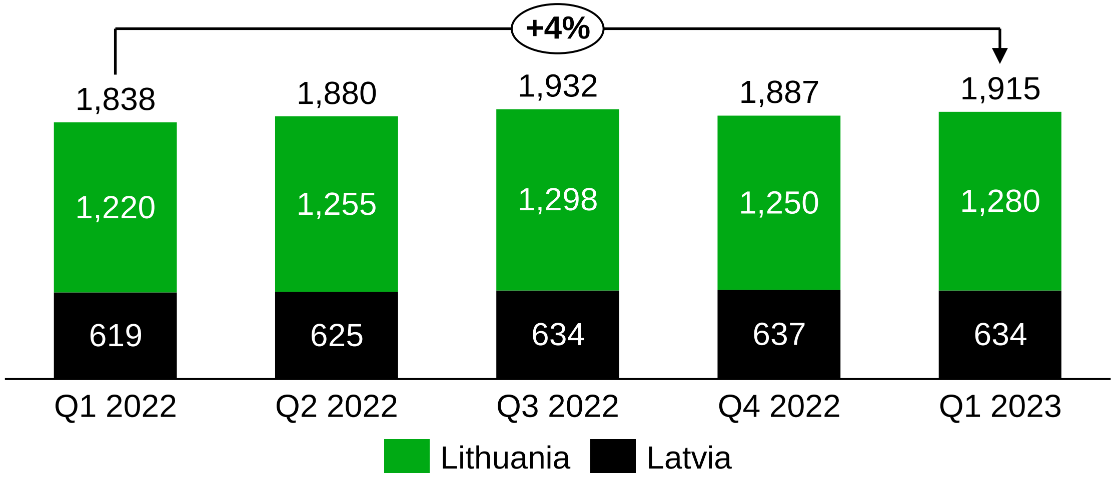
### Lithuania

- Mobile RGUs increased by 60k YoY in Q1’23, Postpaid added +23k (mostly B2B), Data only +40k and Prepaid decreased by -3k
- The ARPU remained stable in Lithuania, as another drop of interconnect rates was offset by the price revision in Q4’22. Interconnect decline had no impact to consistently growing AGMPU

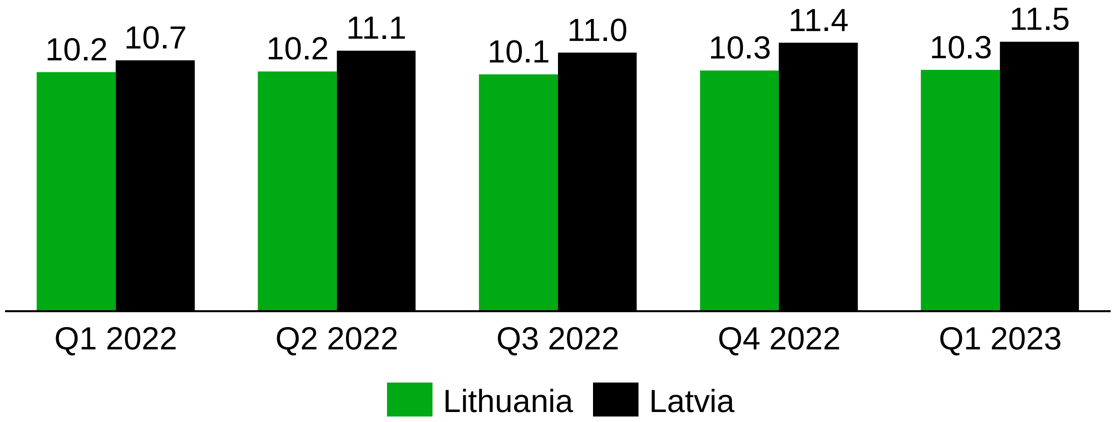
### Latvia

- Mobile RGUs increased by 15k YoY in Q1’23, Postpaid added +10k, Data only +3k and Prepaid increased by +2k
- The ARPU in Latvia grew both YoY and QoQ mostly due to higher than in Lithuania Postpaid base price revision in Q4’22 offsetting the negative impact on ARPU due to interconnect rates decline. Interconnect decline had no impact to consistently growing AGMPU

## 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 Q1’23 were 320k

# Fixed Broadband & PayTV Segment

## Comments

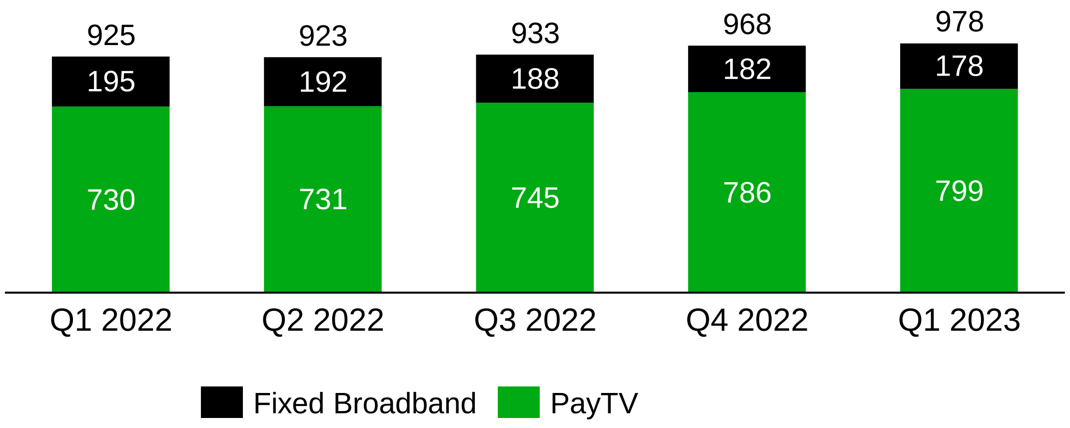
### Fixed Broadband

- Fixed Broadband RGUs base decreased by 17k YoY, mainly due to active customers migration to the Data only mobile plans
- The ARPU grew, both YoY and QoQ, mostly due to the organic growth of the ICT business and repricing of Mezon customer base

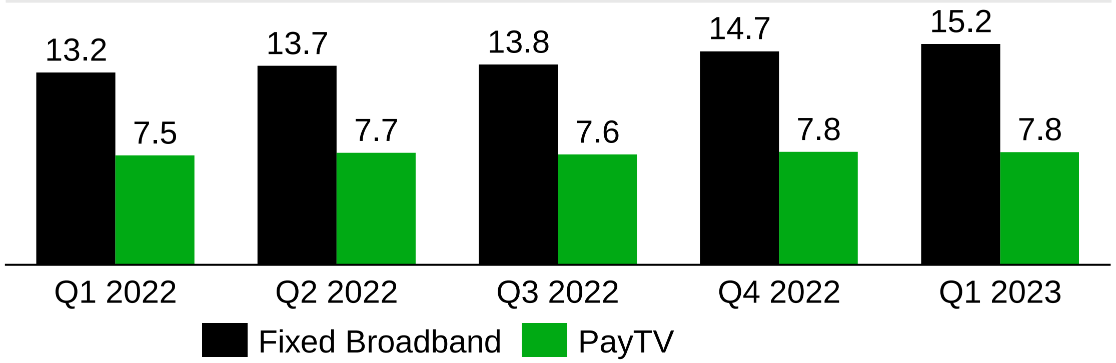
### PayTV

- PayTV RGUs grew YoY on the back of strong OTT RGUs growth (+99k), which more than offset the decline in DTH (-9k), VO [(1)] (-10k) and Baltcom RGUs (-11k)
- 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 Q1'23 cross-selling contributed 16k RGUs
- 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

## Fixed Broadband and PayTV RGUs PF, th.




## Fixed Broadband and PayTV ARPU € per month PF




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

# Media Segment

## Comments

### Media revenue

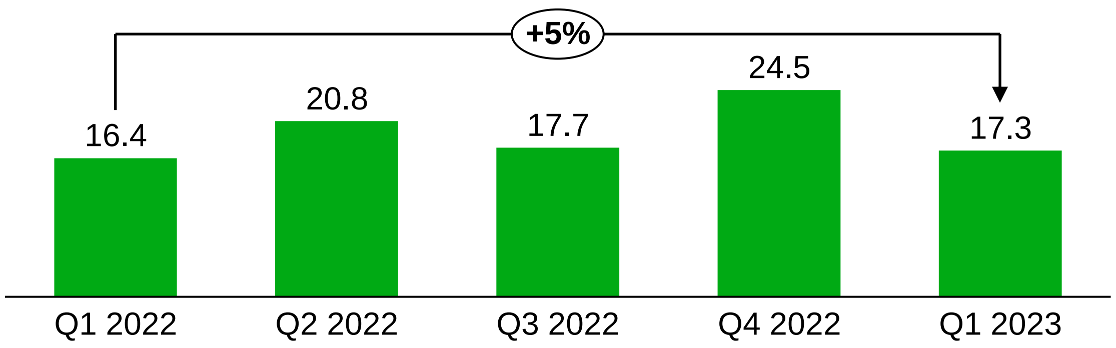
- In Q1'23, the Media business exceeded Q1'22; it was delivered by advertising sales growth across all countries in all segments

### Commercial share of viewing

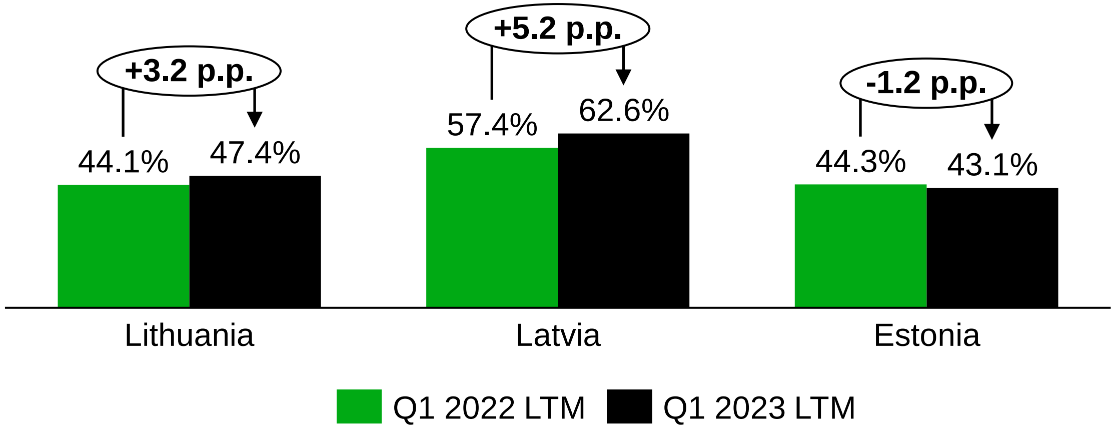
TV3 Group has strengthened further its #1 position in Latvia and Lithuania, while high competition for viewership continues in Estonia:

- In Lithuania, the TV3 Group CSOV increased by 3.2 p.p., as all TV3 Group channels maintained strong performance due to successful programing schedule
- In Latvia, the TV3 Group CSOV increased by 5.2 p.p. compared to last year, mainly driven by strong TV3, TV3 Life and 3+ (targeted Russian speaking audience) channels programming performance
- In Estonia, the combined TV3 Group CSOV decreased by 1.2 p.p. YoY due to material increase in programming investment by our main competitor. However, growth of CSOV was achieved QoQ

### Media Revenue development, €m




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



# 2. Trading Update

# Basis of Preparation

- The financials presented herein have been consolidated at the PLT VII Finance S.à r.l. level and prepared in accordance with the IFRS
- The analysis is based on unaudited information for the Q1 of 2023; and the Q1 of 2022 is provided as a comparable information
- 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 March 2023 represents the Adjusted EBITDA for the twelve months ending on 31 March 2023, 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

# Financial Performance

## Comments

- Service revenue grew by 7.8% YoY in Q1'23. Mobile growth by 8% was driven by Postpaid base repricing both in Lithuania and Latvia in Q4'22 and strong RGUs base growth. Fixed Broadband and PayTV grew mostly due to strong OTT base development, partial price revision in Q4'22 and organic ICT business growth. Media growth was mainly driven by strong performance of all advertising segment sales in all countries
- Equipment and other revenue grew by 23% YoY in Q1'23. The impact to EBITDA was limited as increase in revenue was fully offset by equipment costs
- Employee compensation increased mainly due to the inflation / wage growth in the markets
- Roaming and interconnect costs declined due to the reduced interconnect rates in Lithuania and Latvia
- Other costs increased due to growth of electricity consumption and other costs related to 5g roll-out, as well as increase in advertising expenses
- Adjusted EBITDA increased by 10% in Q1'23

## Financials

| €m | Q1 2022 | Q1 2023 | YoY (%) |
|---|---|---|---|
| Mobile | 58.7 | 63.2 | 7.8% |
| Fixed Broadband and PayTV | 23.8 | 26.1 | 9.4% |
| Media | 16.4 | 17.3 | 5.5% |
| **Service Revenue** | **99.0** | **106.7** | **7.8%** |
| Equipment and other | 22.1 | 27.2 | 23.0% |
| **Total Revenue** | **121.1** | **133.9** | **10.6%** |
| Equipment costs | (20.7) | (25.9) | 25.0% |
| Employee compensation & benefit | (19.4) | (21.1) | 9.1% |
| Content and programming costs | (12.6) | (13.5) | 7.6% |
| Roaming and interconnect costs | (6.6) | (5.1) | (23.2%) |
| Other costs(2) | (22.0) | (24.5) | 11.5% |
| One-offs and other adjustments(1) | 0.2 | 0.1 | (24.6%) |
| **Adjusted EBITDA** | **40.0** | **43.9** | **9.6%** |
| *% Margin* | *33.1%* | *32.8%* | |

(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



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# Group Capex

## Comments

- A significant portion of our mobile Capex was allocated towards Ericsson equipment during Q1'23. We took advantage of an opportunity to accelerate our 5G network rollout
- Fixed Broadband and PayTV Capex is higher due to scaling of ICT business

## Capex[1]

| €m | Q1 2022 | Q1 2023 |
|---|---|---|
| **Mobile** | **5.5** | **23.6** |
| **Fixed Broadband and PayTV** | **1.7** | **2.2** |
| **Media** | **0.1** | **0.2** |
| **Capex** | **7.3** | **26.0** |
| *% revenue* | *6.1%* | *19.4%* |

(1) Capex is accounted on a cash basis

# Cash Flow

## Comments

- Bitė cash conversion rate in Q1'23 temporarily decreased to 41% due to heavy investment into 5G rollout, which is in line with our plans
- Negative NWC change in Q1'23 was driven mainly by inventory increase due to rapid sales growth in equipment and newly launched handset models as well as growth of accounts receivable due to revenue increase. Negative impact was partly offset by improvement in accounts payable
- Tax payments increase in Q1'23 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
- Part of purchase price for All Media Digital UAB were paid in Q1'23, while in Q1'22 partial payments were made for All Media Digital UAB and Radio Enterprise SIA

## Cash Flow

| €m | Q1 2022 | Q1 2023 | YoY (%) |
|---|---|---|---|
| **Adjusted EBITDA** | **40.0** | **43.9** | **9.6%** |
| *% margin* | *33.1%* | *32.8%* | |
| **Adjusted Capex** | **(7.3)** | **(26.0)** | **n.m.** |
| *% of revenue* | *(6.1%)* | *(19.4%)* | |
| **Operating Cash Flow[1]** | **32.7** | **17.9** | **(45.2%)** |
| *% Cash Conversion[2]* | *81.7%* | *40.8%* | |
| Change in NWC | (9.8) | (13.1) | 33.5% |
| One-offs and other adj. [3] | (0.2) | (0.1) | (24.6%) |
| Taxes | (1.4) | (2.3) | 69.5% |
| **Cash Flow pre-acquisitions** | **21.3** | **2.3** | **n.m.** |
| Acquisitions | (0.9) | (0.3) | (73.5%) |
| **Cash Flow pre-financing** | **20.4** | **2.1** | **n.m.** |

(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 March 2023 | | |
|---|---|---|---|
| | €m | x Adj. EBITDA | Maturity |
| Cash and cash equivalents | (27.0) | | |
| Other financial debt | 0.0 | | |
| Senior Secured Notes | 475.0 | | January 2026 |
| Floating Rate Notes | 250.0 | | January 2026 |
| **Net senior secured debt** | **698.0** | **3.8x** | |
| Lease liabilities | 56.0 | | |
| **Net total debt** | **754.0** | **4.1x** | |
| | | | |
| New SSRCF (undrawn) [1] | 50.0 | | April 2025 |
| Adj. EBITDA pro forma (LTM) | 182.2 | | |
| *Total Liquidity* | *77.0* | | |

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

# 3. Q&A

# Contacts

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

For queries contact:
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