



Preliminary FY 2020 Results

26 March 2021

Tele Columbus AG

Disclaimer

This document has been prepared by Tele Columbus AG (the “Company”) solely for informational purposes.

This presentation may contain forward-looking statements. These statements are based on management’s current expectations or beliefs and are subject to a number of factors and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Although we believe that such forward-looking statements are reasonable, we cannot assure you that any forward-looking statements will prove to be correct. Such forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions, which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. Accordingly, investors are cautioned not to place undue reliance on the forward-looking statements.

This presentation may contain references to certain non-GAAP financial measures, such as Normalised EBITDA and capex, and operating measures, such as RGUs, ARPU, Homes connected and subscribers pro forma calculation. These supplemental financial and operating measures should not be viewed as alternatives to measures of Tele Columbus’s financial condition, results of operations or cash flows as presented in accordance with IFRS in its financial statements. The non-GAAP financial and operating measures used by Tele Columbus may differ from, and not be comparable to, similarly titled measures used by other companies. For further information please see in particular the financial statements.

The presentation does not constitute or form part of, and should not be construed as, and offered to sell or issue, or the solicitation of an offer to purchase, subscribe to or acquire, securities of the Company, or an inducement to enter into investment activity in the United States. No part of this presentation, nor the fact of its distribution, should form the basis of, or be relied on in connection with, any contract or commitment or investment decision whatsoever.

None of the Company, the companies in the Company’s group or any of their respective directors, offices, employees, agents or any other person shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of the presentation or its contents or otherwise arising in connection with the presentation. We disclaim any obligation to publicly update or revise any forward-looking statements or other information contained in this presentation. It is pointed out that the existing presentation may be incomplete or condensed, and it may not contain all material information concerning Tele Columbus AG or the Tele Columbus Group.

Information provided herein may contain pro-forma financials. Our pro forma financials have been prepared for illustrative purposes only. They are based on the assumption that the primacom and pepcom acquisitions had occurred on 1 January 2015. Because of their nature, our pro forma financials address a hypothetical situation and, therefore, do not represent our actual results of operations. It is not necessarily indicative of the results that should be expected in the future.

All figures in this presentation are calculated based on exact numbers and results are rounded to appropriate accuracy.

Agenda

1. Key Messages

Dr Daniel Ritz (CEO)

2. Operational Update & KPIs

Dr Daniel Ritz (CEO)

3. Financial Performance

Eike Walters (CFO)

4. Outlook

Dr Daniel Ritz (CEO)

5. Q&A

Key Messages – Q4 2020

Operational

- **TC** continues to remain largely **unaffected** by the **pandemic** so far
 - Materially improved **Internet and Telephony net add performance** in FY 2020 (**+18k / +7k**)
 - **CATV** challenges remain (**-81k net adds**), **Premium TV** net adds slightly improved (**-2k**)
 - **NPS** continues **upward trajectory** across main touch points, still **room for improvement**
 - **B2B** grows **10% YoY** in FY 2020, **Q4** revenues **down 6% YoY** due to **high comparable base**
-

Financial

- **Delivered FY 2020 Guidance on all metrics**
 - **Q4 core revenues** (excl construction work) **slightly down YoY** to EUR 121.5 million
 - **Q4 EBITDA reported up 4% YoY** to EUR 61,8 million
 - **Q4 Capex flat YoY** at EUR 54,0 million
 - **Non-cash goodwill impairment** on TV segment weighs on **Q4 net income**
-

Strategic

- **Kublai** (“BidCo”) announced its decision to launch **voluntary public takeover** and backstop of **cash capital increase of €475 million** (subject to transaction closing) in December
 - Two out of three **key closing conditions** already met (ie CoC waiver and minimum tender level of 50%)
- Progressing **wholesale strategy**: implementing partnership with **TEF**, signed binding pre-contract with **1&1** (subject to transaction closing)

Agenda

1. Key Messages

Dr Daniel Ritz (CEO)

2. Operational Update & KPIs

Dr Daniel Ritz (CEO)

3. Financial Performance

Eike Walters (CFO)

4. Strategy Update

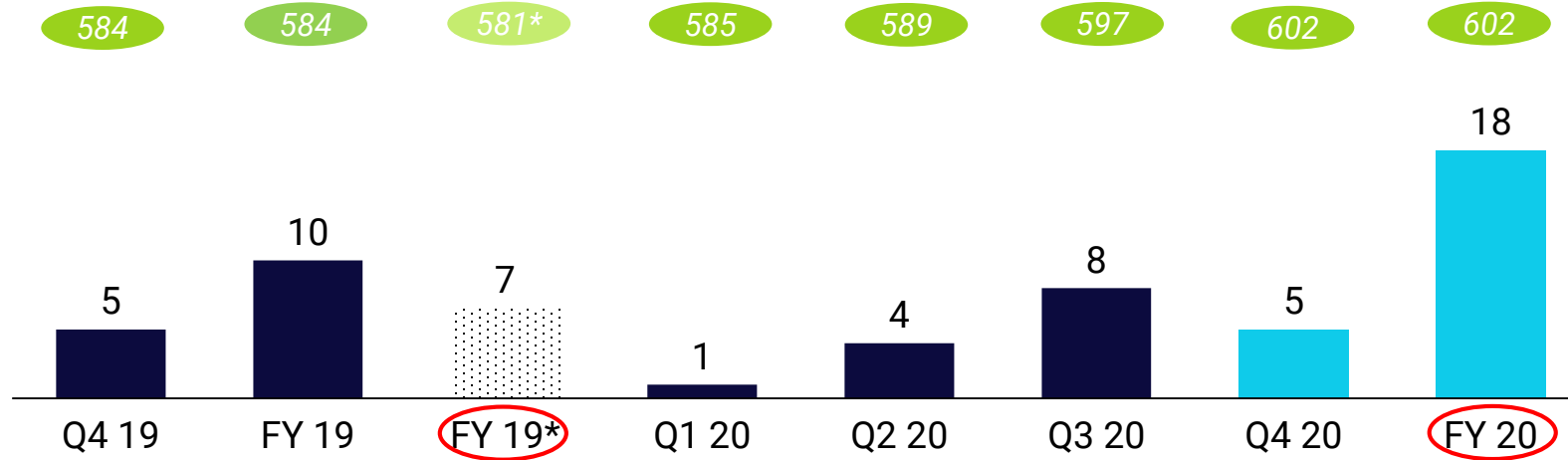
Dr Daniel Ritz (CEO)

5. Q&A

Operational Update & KPIs: materially improved net add performance in FY 2020

Internet¹ RGU net change

Thousands, rounding differences might occur

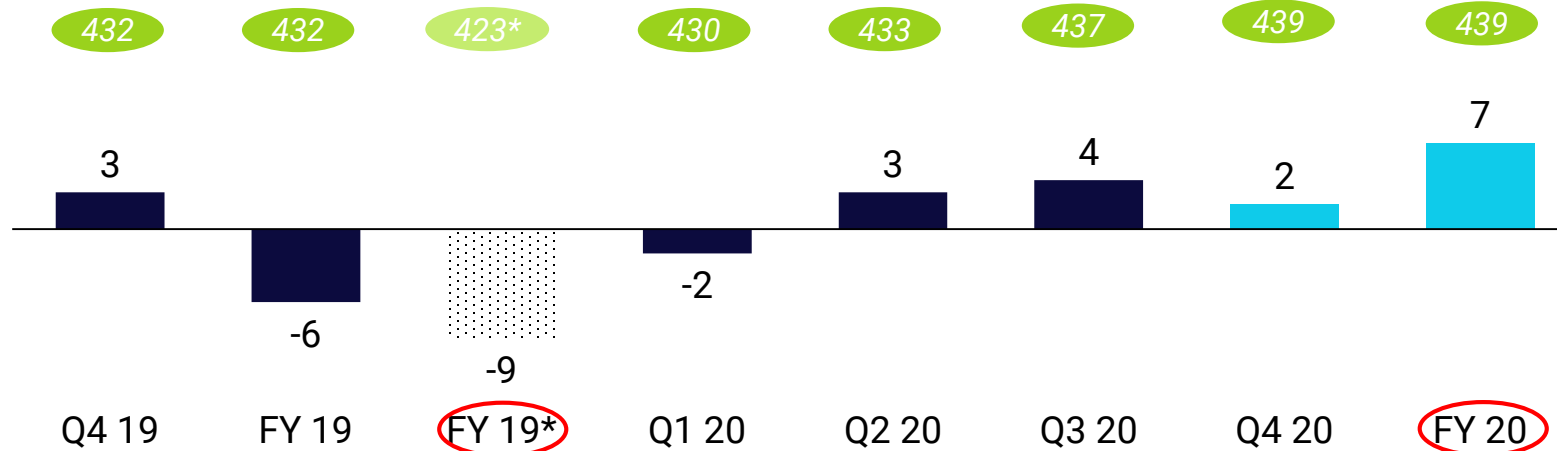


Internet

- +18k net adds in FY2020, significantly above FY 2019 level
- Strongest FY result since the finalisation of the integration in 2018
- Crossing the 600k-mark of total IP RGUs

Telephony² RGU net change

Thousands, rounding differences might occur



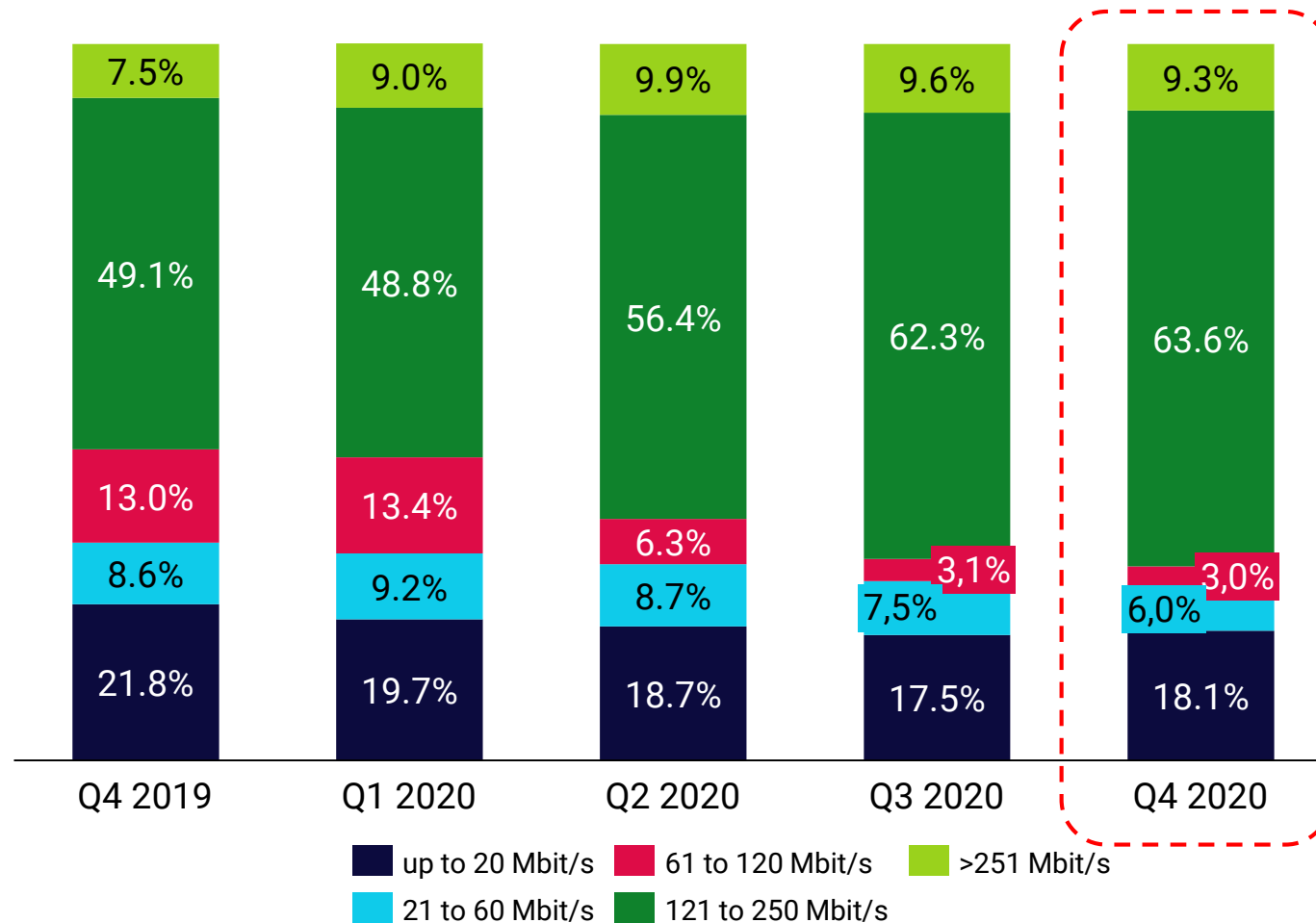
Telephony

- +7k net adds in FY2020, significantly above FY 2019 level
- Third consecutive quarter with positive net adds

Operational Update & KPIs: High-speed bandwidth demand continues to grow

Quarterly gross adds¹

Ordered bandwidth as % of total gross adds, rounding differences might occur

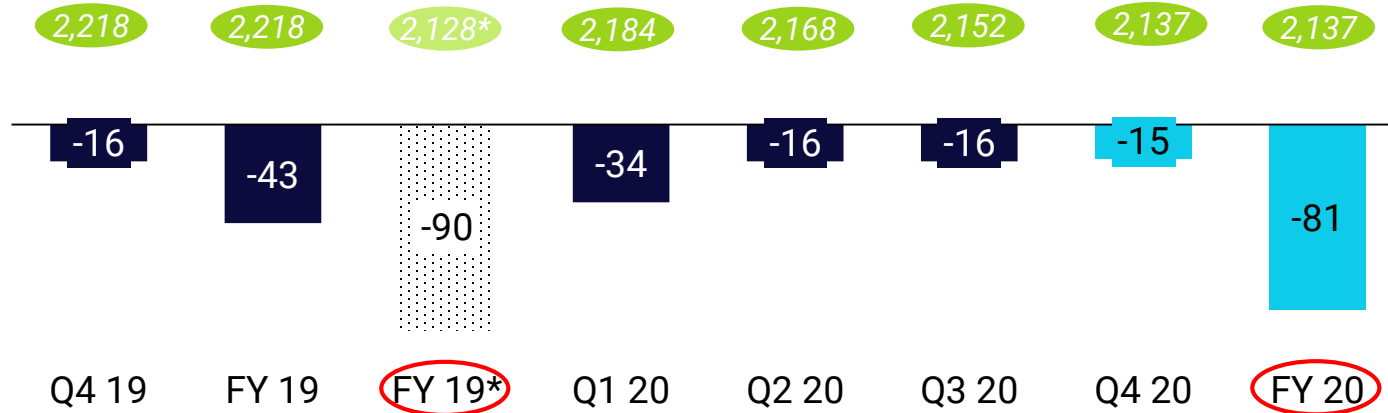


- Ongoing trend towards higher bandwidth visible in gross adds
- More than 2/3 of gross adds continue to choose high-speed tariffs
- >80% of new customers opt for 24 month tariffs, higher bandwidth overcompensates discount

Operational Update & KPIs: CATV challenges remain, Premium TV slightly improved

CATV RGUs net change

Thousands, rounding differences might occur

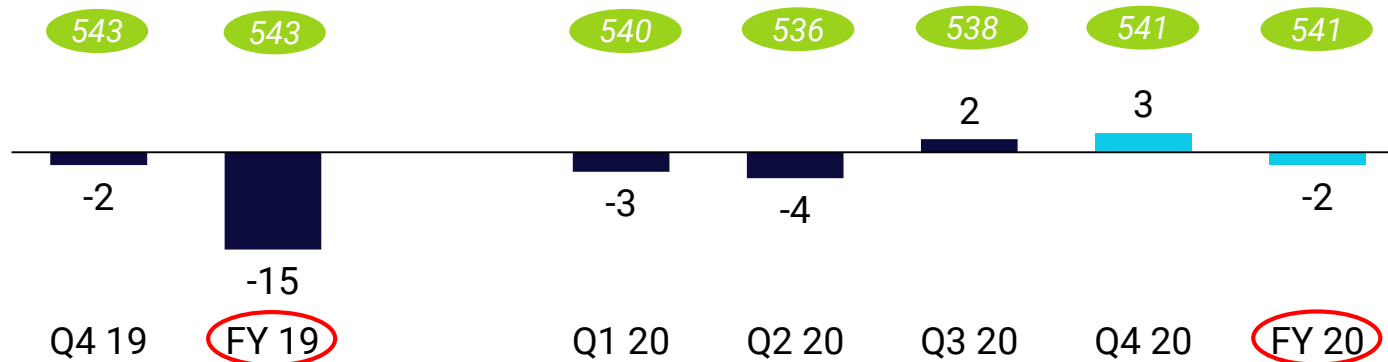


CATV

- -81k net adds in FY 2020, slightly better L-f-L than FY 2019
- Recent trends continue, environment remains challenging

Premium TV RGUs net change

Thousands, rounding differences might occur



Premium TV

- Renewed marketing campaign bears fruit in significantly improved FY results YoY
- As a result, second consecutive quarter with positive net adds

#,###

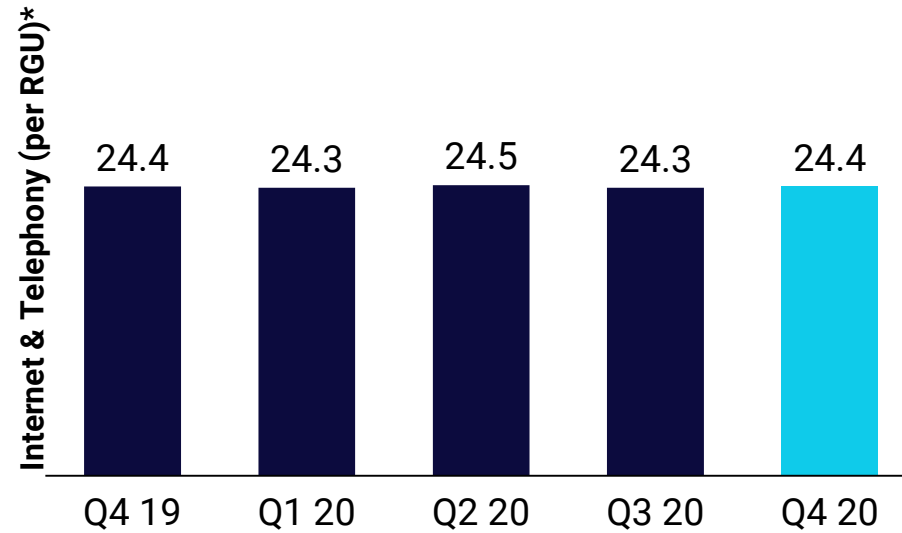
Absolute RGUs, thousands

*) excl M&A

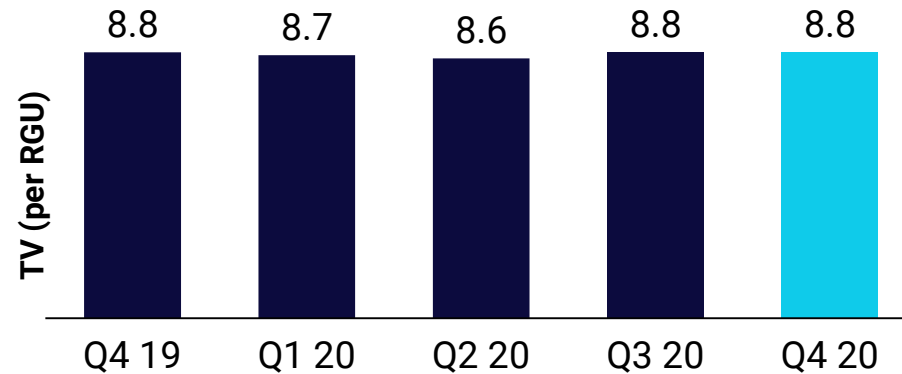
Operational Update & KPIs: Stable ARPU trends continue

ARPUs

EUR, rounding differences might occur

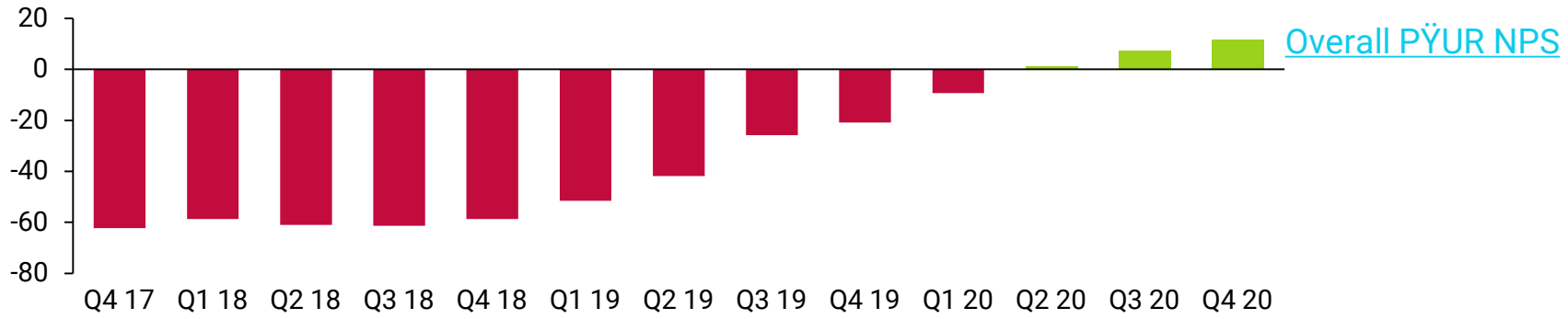


- Slight sequential improvement, stable YoY

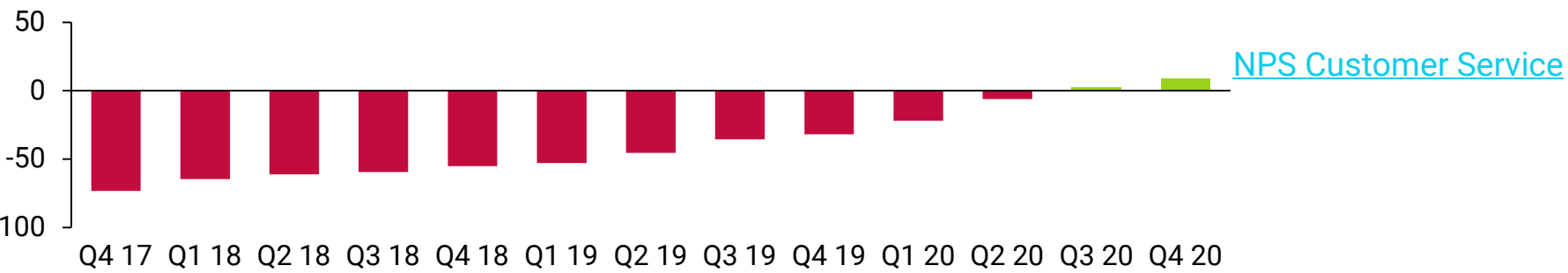


- Stable development sequentially and YoY

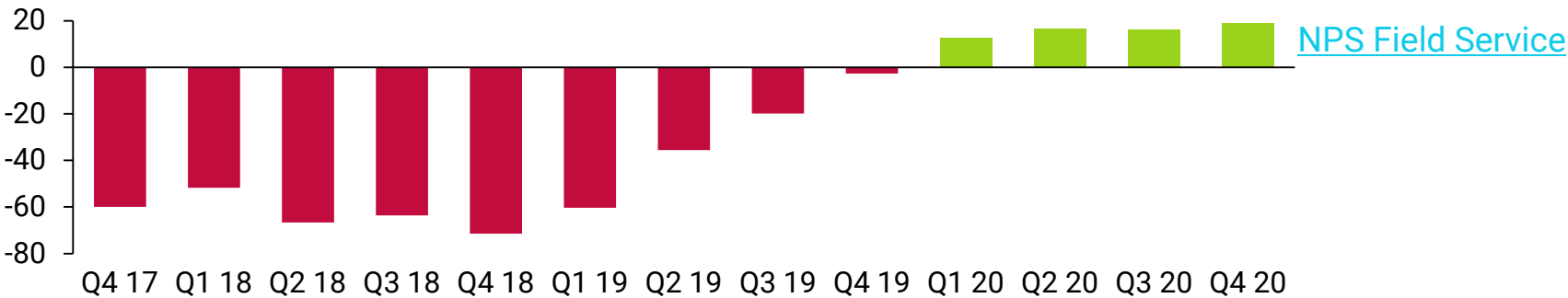
Operational Update & KPIs: NPS improves further across the board



- **Overall PÿUR NPS** positive, still significant room for improvement

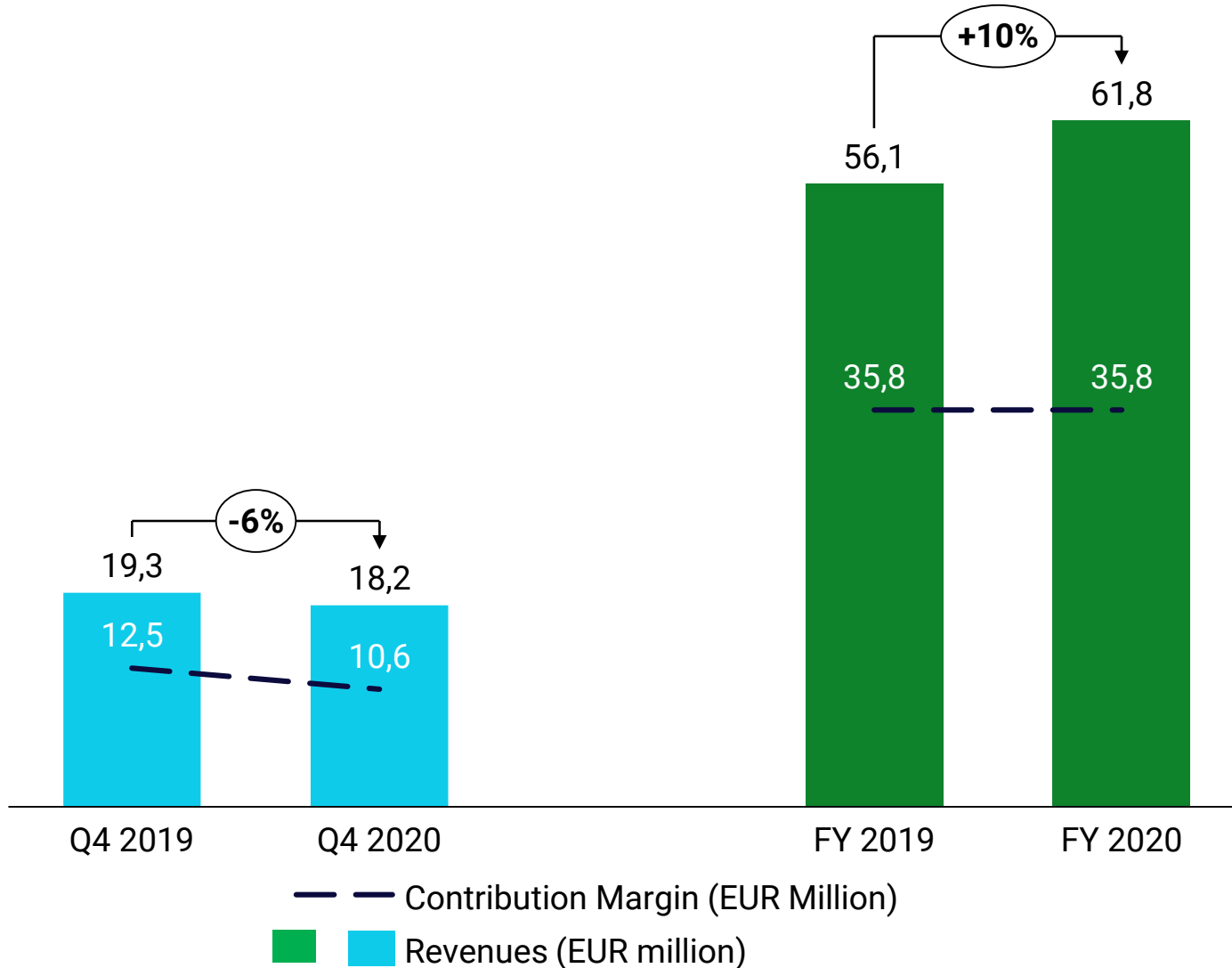


- **Customer Service NPS** positive for the second quarter in a row



- **Field Service NPS** continues strong upward trend in Q4

Operational Update & KPIs: B2B continues to grow in 2020



- **FY revenues** up by 10% YoY, also due to project-related hardware sales
- **Q4 revenues** down 6% YoY due to very high comparable base in Q4 2019
- **Resilient demand** continues to be driven by internet and bandwidth products

Agenda

1. Key Messages

Dr Daniel Ritz (CEO)

2. Operational Update & KPIs

Dr Daniel Ritz (CEO)

3. Financial Performance

Eike Walters (CFO)

4. Outlook

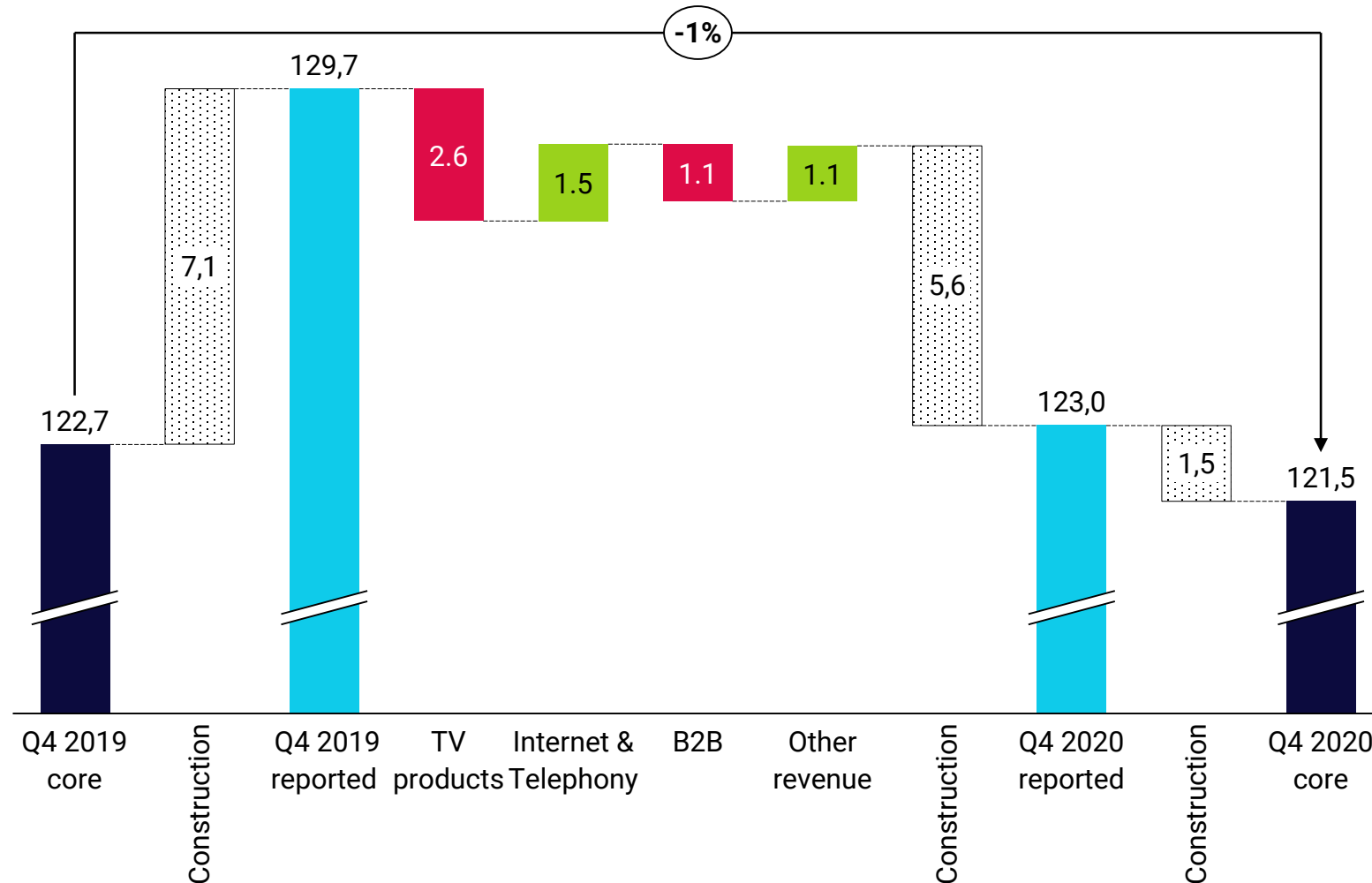
Dr Daniel Ritz (CEO)

5. Q&A

Financial Performance: TV weakness weighs on Q4 core revenues

Revenues

EUR millions, rounding differences might occur

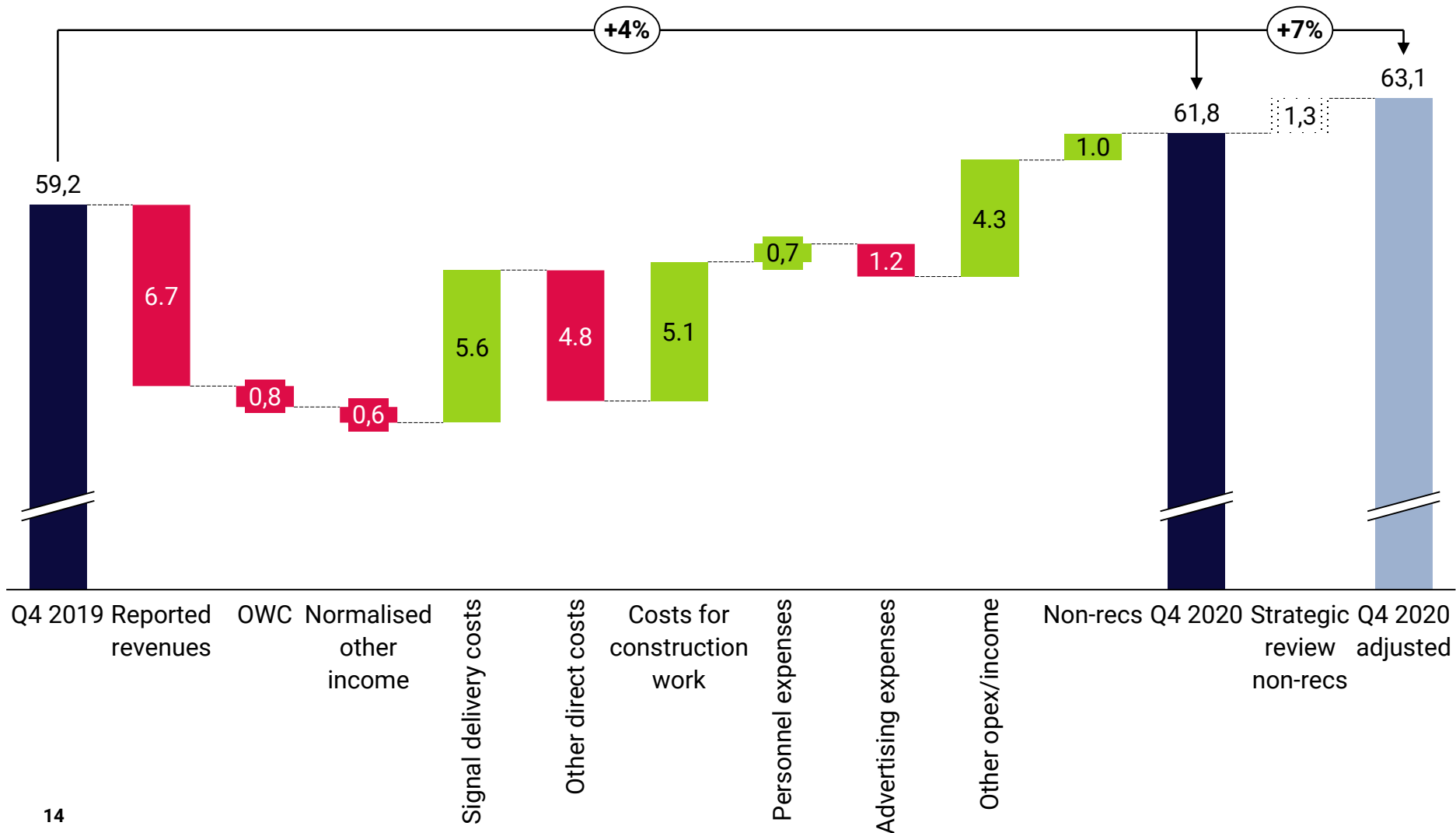


- Q4 core revenues (excl construction) of EUR 121,5 million down 1% year on year
- Recent TV trends continue, amid a structurally challenging market environment
- Strong and encouraging Internet & Telephony growth based on the increasing customer base
- B2B running against high comparable base, ongoing demand resilient

Financial Performance: Q4 EBITDA growth despite revenue decline

Reported EBITDA

EUR millions, rounding differences might occur

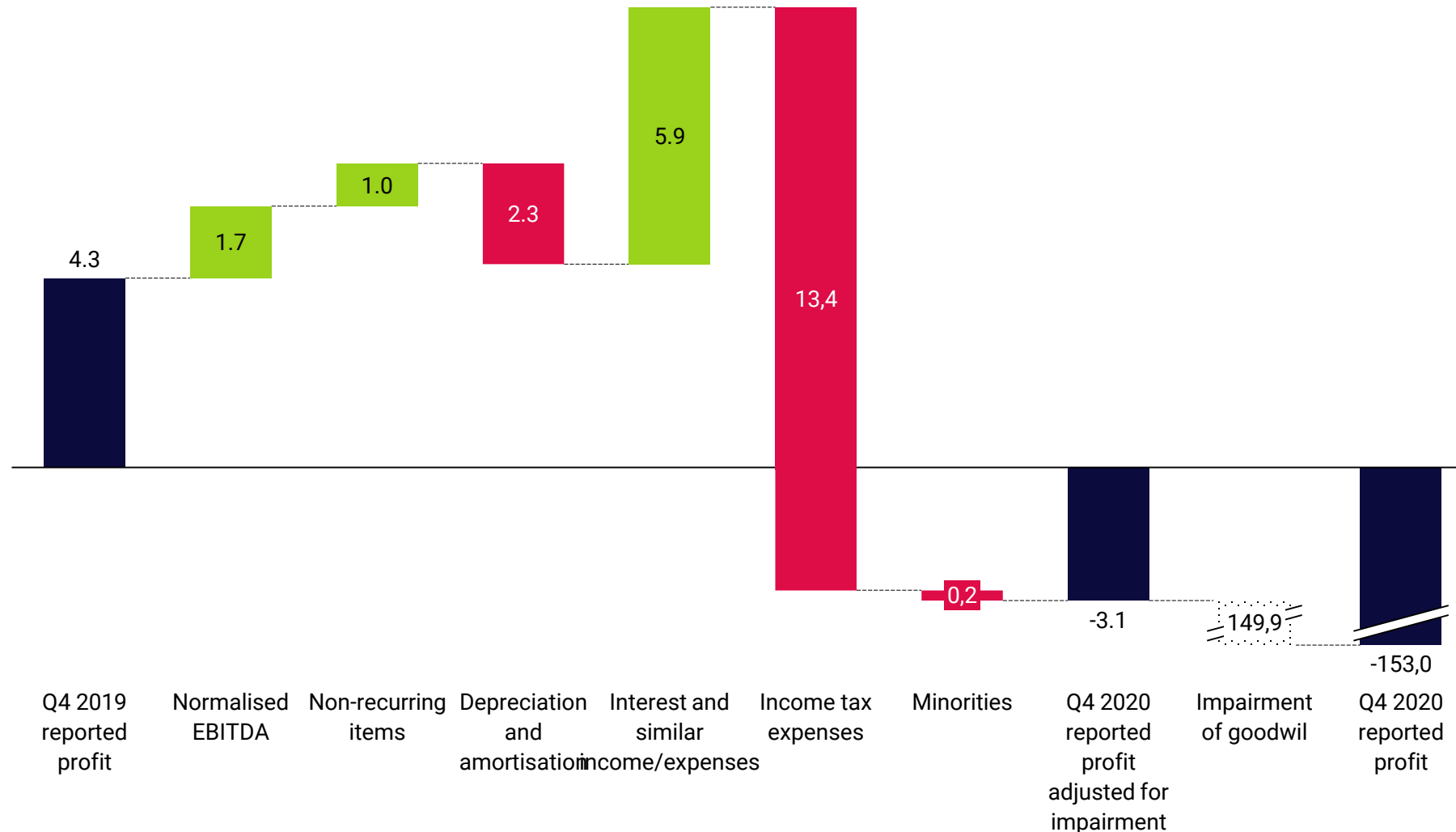


- Strategic review-related non-recs amounted to EUR 1,3 million in Q4
- Higher marketing expenses YoY due to increased commercial activity

Financial Performance: Non-cash impairment on TV segment

Reported profit

EUR millions, rounding differences might occur

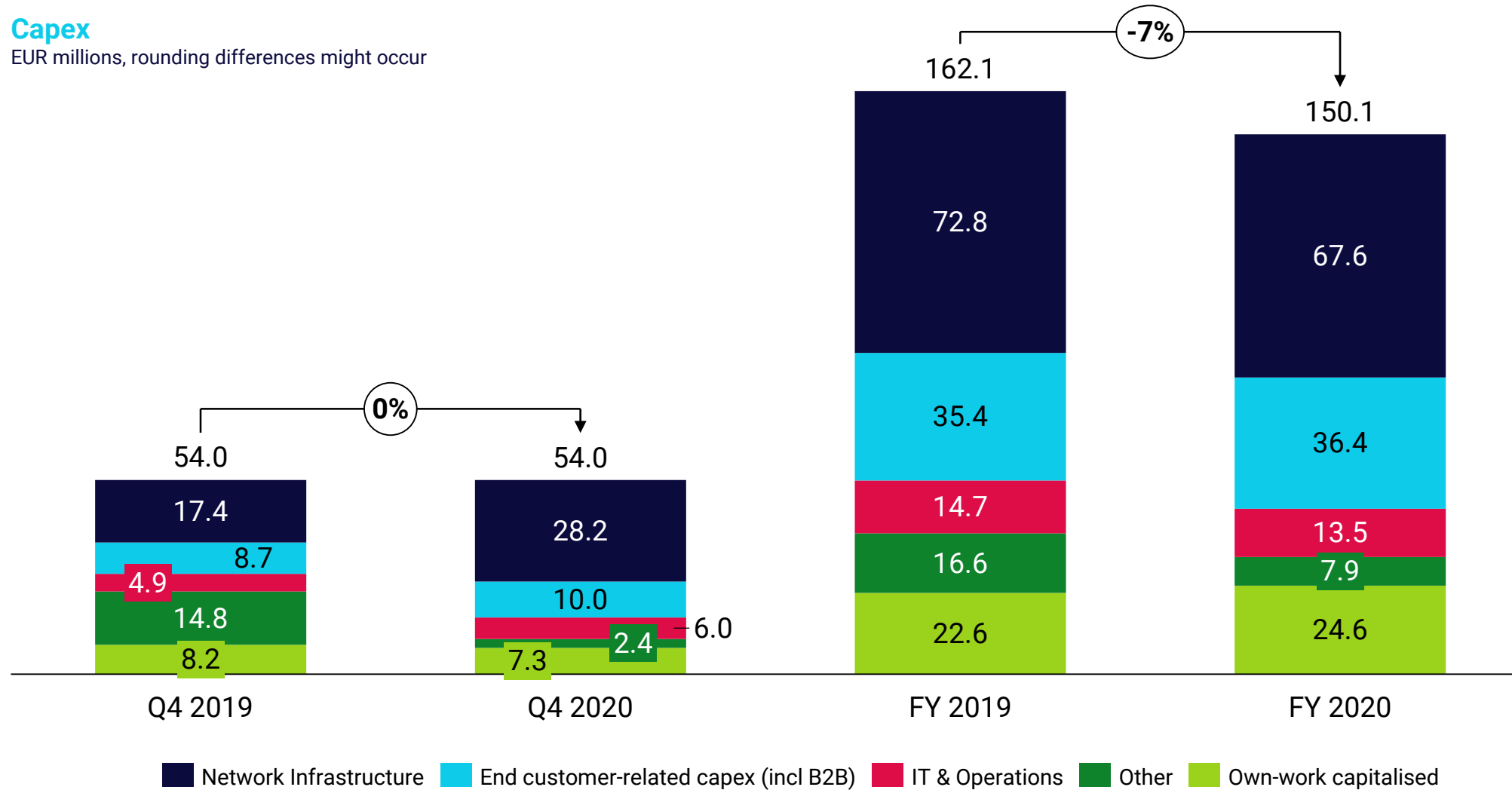


- Income taxes increase overwhelmingly due to non-cash accruals
- Cash taxes in Q4 2020 at EUR 0.4 million down EUR 0.8 million YoY due to phasing effects and further consolidation of legal entities
- Impairment of goodwill of the cash-generating unit TV, due to changed management estimates on growth opportunities

Capex: FY 2020 capex in-line with guidance

Capex

EUR millions, rounding differences might occur



- Q4 capex with high portion of network-related investments
- FY20 capex in-line with guidance
- OWC capex increase explained by higher share of installations by TC's field-service unit RFC

Leverage and liquidity

	<u>Per 30 September 2020</u>				<u>Per 31 December 2020</u>	
	Terms ¹	Maturity	EURm ^{2,3}	Leverage ⁴	EURm ^{2,3}	Leverage ⁵
Cash			(56)	(0.23x)	(62)	(0.26x)
RCF (€10m)	E+500bps	Aug 2022	-	-	-	-
Term Loan	E+500bps	Aug 2022	40	0.17x	40	0.17x
Term Loan	E+450bps	Oct 2023	75	0.31x	75	0.31x
First Lien Term Loan	E+300bps	Oct 2024	707	2.94x	707	2.92x
Senior Secured Notes	3.875%	May 2025	650	2.70x	650	2.68x
Other			3	0.01x	3	0.01x
Net debt			1,419	5.90x	1,413	5.83x

¹ Lower terms apply in case of deleveraging; ticking fee applies on undrawn amount; ² Excluding non-controlling interest, finance leases and restricted cash; ³ €1.1bn were hedged long term until December 2020 since February 2016 – the variable underlying interest rate base (EURIBOR) was capped at 75bp; ⁴ Leverage based on LTM Normalised EBITDA of €240.4m; ⁵ Leverage based on LTM Normalised EBITDA of €242.1m; Rounding differences might occur

Agenda

1. Key Messages

Dr Daniel Ritz (CEO)

2. Operational Update & KPIs

Dr Daniel Ritz (CEO)

3. Financial Performance




Eike Walters (CFO)

4. Outlook

Dr Daniel Ritz (CEO)

5. Q&A

FY 2020 Guidance fully achieved

Metric Financials (m EUR)	Guidance FY 2020	Results FY2020	
Total revenues	465-475	480	
Reported EBITDA ¹	225-230	230	
Capex	140-150	150	

FY 2021 Guidance

Metric Financials (m EUR)	Guidance FY 2021
Total revenues	465 - 475
Reported EBITDA ¹	215 - 230
Capex	145 -155

Previous mid-term guidance to be updated in second half of the year

Transaction update

Timeline	Milestone	Status
December 2020	Signing and announcement of transaction	Completed
January 2021	Extraordinary general meeting	Completed
February 2021	Kublai publishes tender offer	Completed
February 2021	CoC waiver process for bond and loans	Completed
March 2021	50% acceptance level regarding tender offer crossed; end of 1 st tender period	Completed
April 2021	End of 2 nd tender period	Open
Q2 2021	Regulatory approvals expected	Open
Q2 2021	Publication of prospectus for EUR 475 million equity raise, fully back-stopped by Kublai	Open
Q2/Q3 2021	Significant deleveraging	Open
tba	Additional equity injection of up to EUR 75 million by Kublai	Open

Agenda

1. Key Messages

Dr Daniel Ritz (CEO)

2. Operational Update & KPIs

Dr Daniel Ritz (CEO)

3. Financial Performance

Eike Walters (CFO)

4. Outlook

Dr Daniel Ritz (CEO)

5. Q&A

Thank you for your attention!

Q&A