



O2 Czech Republic

30th April 2021

Quarterly Results January – March 2021



O2

Cautionary statement

Any forward-looking statements concerning future economic and financial performance of O2 Czech Republic a.s. contained in this Presentation are based on assumptions and expectations of the future development of factors having material influence on the future economic and financial performance of O2 Czech Republic a.s.

These factors include, but are not limited to, public regulation in the telecommunications sector, future macroeconomic situation, development of market competition and related demand for telecommunications and other services.

The actual development of these factors, however, may be different. Consequently, the actual future results of economic and financial performance of O2 Czech Republic a.s. could materially differ from those expressed in the forward-looking statements contained in this Presentation. Although O2 Czech Republic a.s. makes every effort to provide accurate information, we cannot accept liability for any misprints or other errors.



Today's speakers



Jindřich Fremuth

CEO & Chairman of the Board



Tomáš Kouřil

CFO & Vice-Chairman of the Board



Strategic commercial initiatives & performance highlights

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Ongoing Covid-19 related restrictions



STATE OF EMERGENCY

due to Covid-19 outbreak and related restrictions effective through the whole Q1



OMNICHANNEL STRATEGY

successful adoption helped to maintain solid commercial performance



ONGOING TRAVEL RESTRICTIONS

reduced roaming business

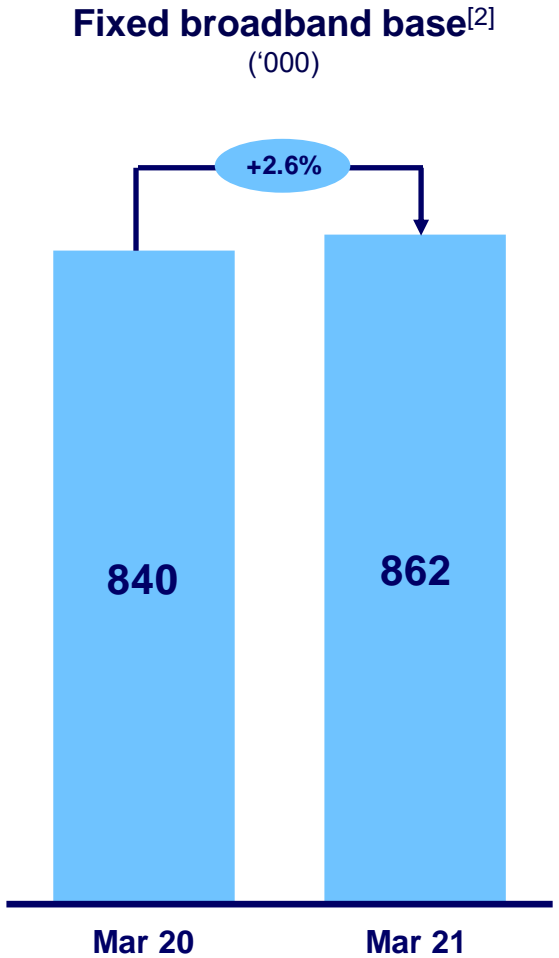
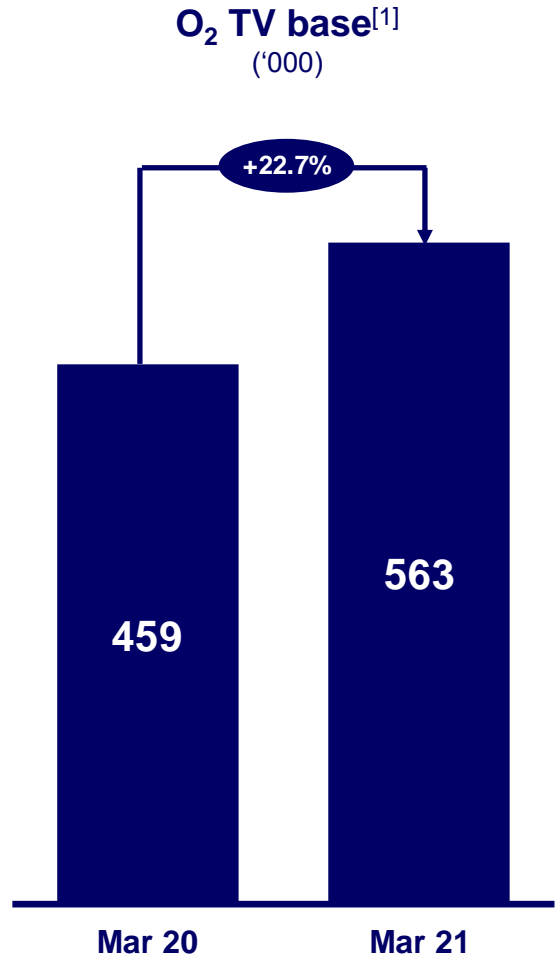


NEGATIVE IMPACT ON TRADING

(lower customers' interactions)



Customers' growth maintained in fixed segment



^[1] IPTV & OTT, Prepaid (O₂ TV Sport Pack online and O₂ TV HBO and Sport Pack tariffs activated and paid by payment card);

^[2] Technology agnostic (xDSL, fibre, WTTx, LTE)



We continue responding to significant fixed broadband data traffic growth...which requires significant investments

Widespread **work from home** and **on-line learning** during lockdown

+ 69 %

Fixed broadband traffic

Jan-20

Mar-21

1.

- Historically record high data transmission, exceeding 1Tb/s
- Transmission capacity to Czech peering node significantly improved by new ethernet technology 400 GE

2.



Upgraded O2 Smart Box

Responding to increasing home Wi-Fi network usage & quality requirement growth

Doubled internet speed

For over 1 million households

3.



Radio access network swap... ...getting ready for future data traffic growth



Gradual **replacement of entire RAN**
in next several years



More efficient utilization of spectrum
(incl. newly acquired one)



CZ: 3G switch off already **by 2021 year-end**
including **5G deployment**



Execution
CZ: infrastructure partner
SK: internally (Capex)





Financial performance January – March 2021

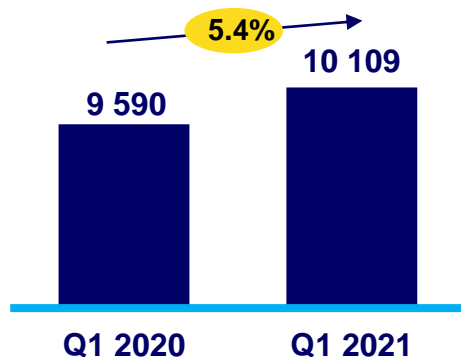
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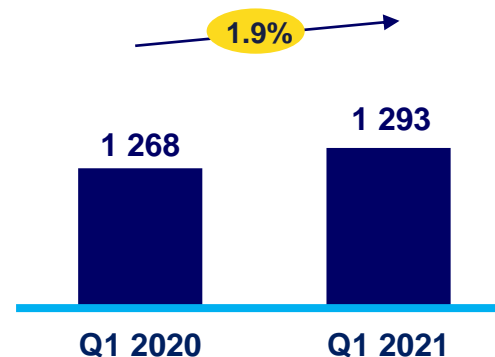
Top line growth driven by lower margin businesses... ...slight net profit increase and reduced Q1 CAPEX YoY

<i>CZK millions</i>	Jan – Mar 2021	Change Q1 21/Q1 20
Operating Revenue	10,109	+5.4%
CZ Mobile	4,970	
CZ Fixed	3,221	
Slovakia	1,946	
EBITDA	3,388	
<i>EBITDA margin</i>	33.5%	
Net Income	1,293	+1.9%
CAPEX	372	-35.9%
CZ CAPEX	254	
SK CAPEX	118	
Free Cash Flow^[1]	1,066	+5.9%

Operating Revenue



Net Income

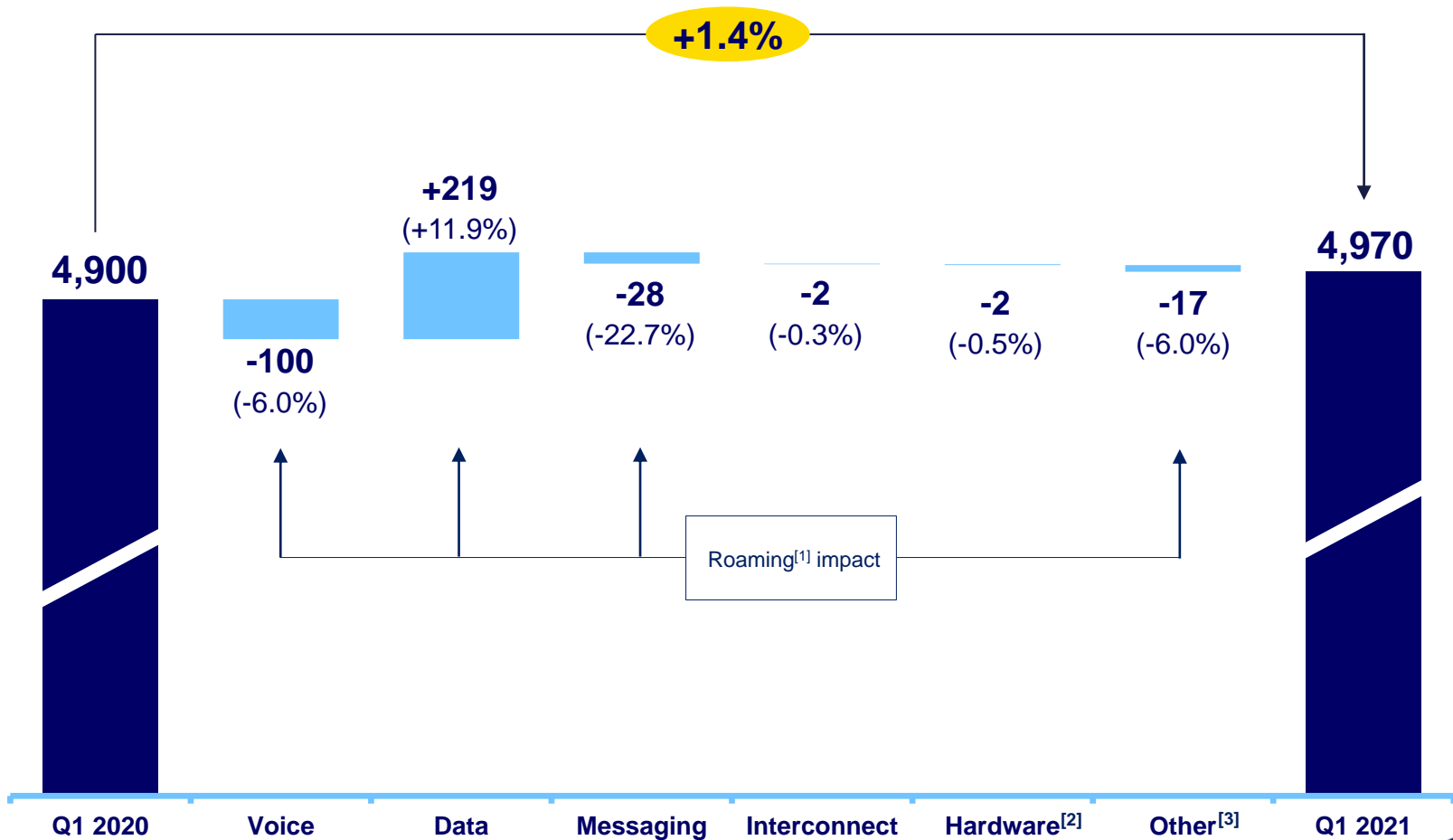


^[1] excl. IFRS 16 impact of CZK 211m.



Continuous COVID-19 hit on roaming revenue... ...compensated by mobile data category

CZK millions
(% change y-o-y)



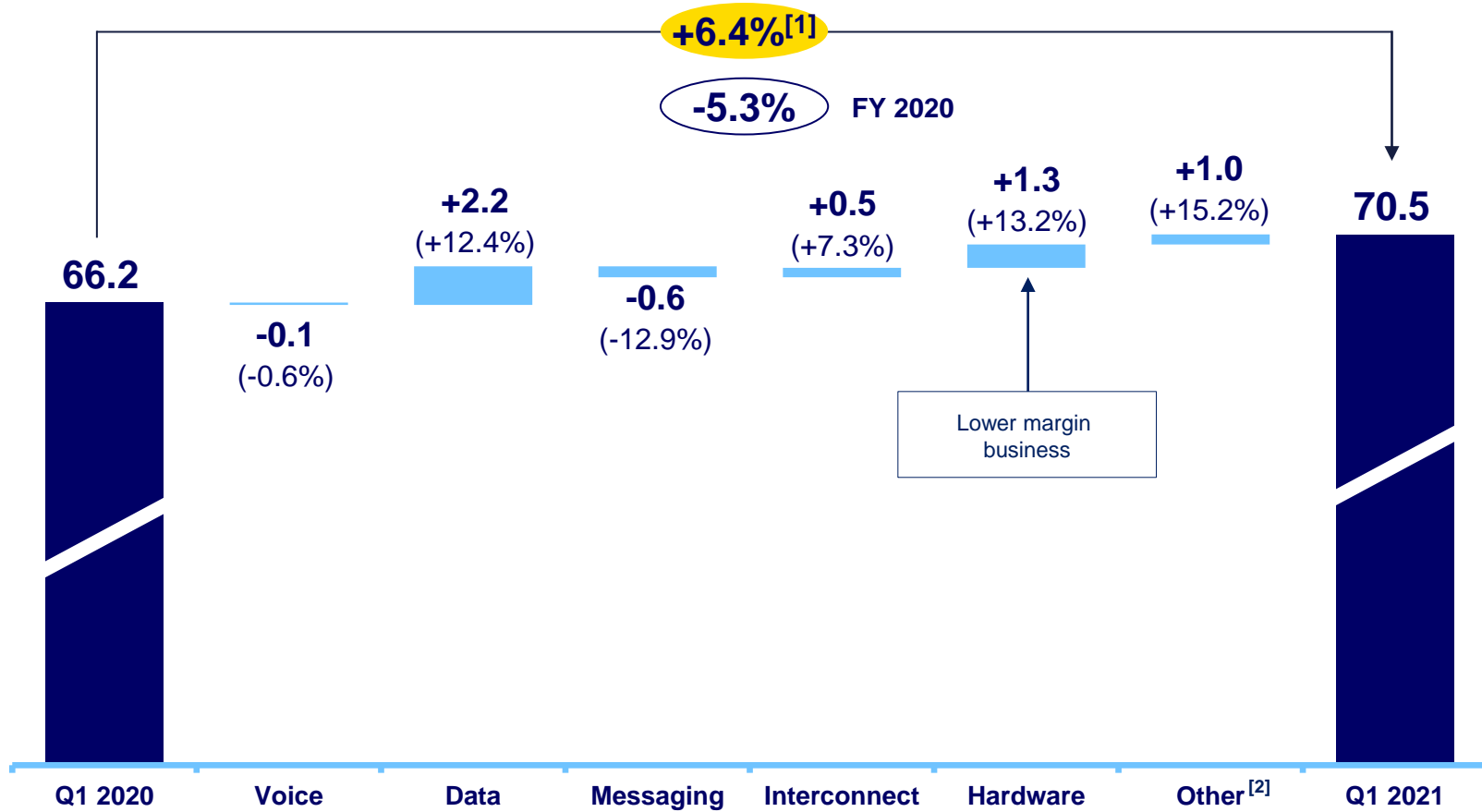
11 ^[1] Both roaming abroad and roaming visitors, ^[2] Including other non-service revenue, ^[3] Y-o-y decrease is mainly driven by incoming roaming.



After decline in 2020 ...

...Slovak mobile revenue recovering in Q1

EUR millions
(% change y-o-y)

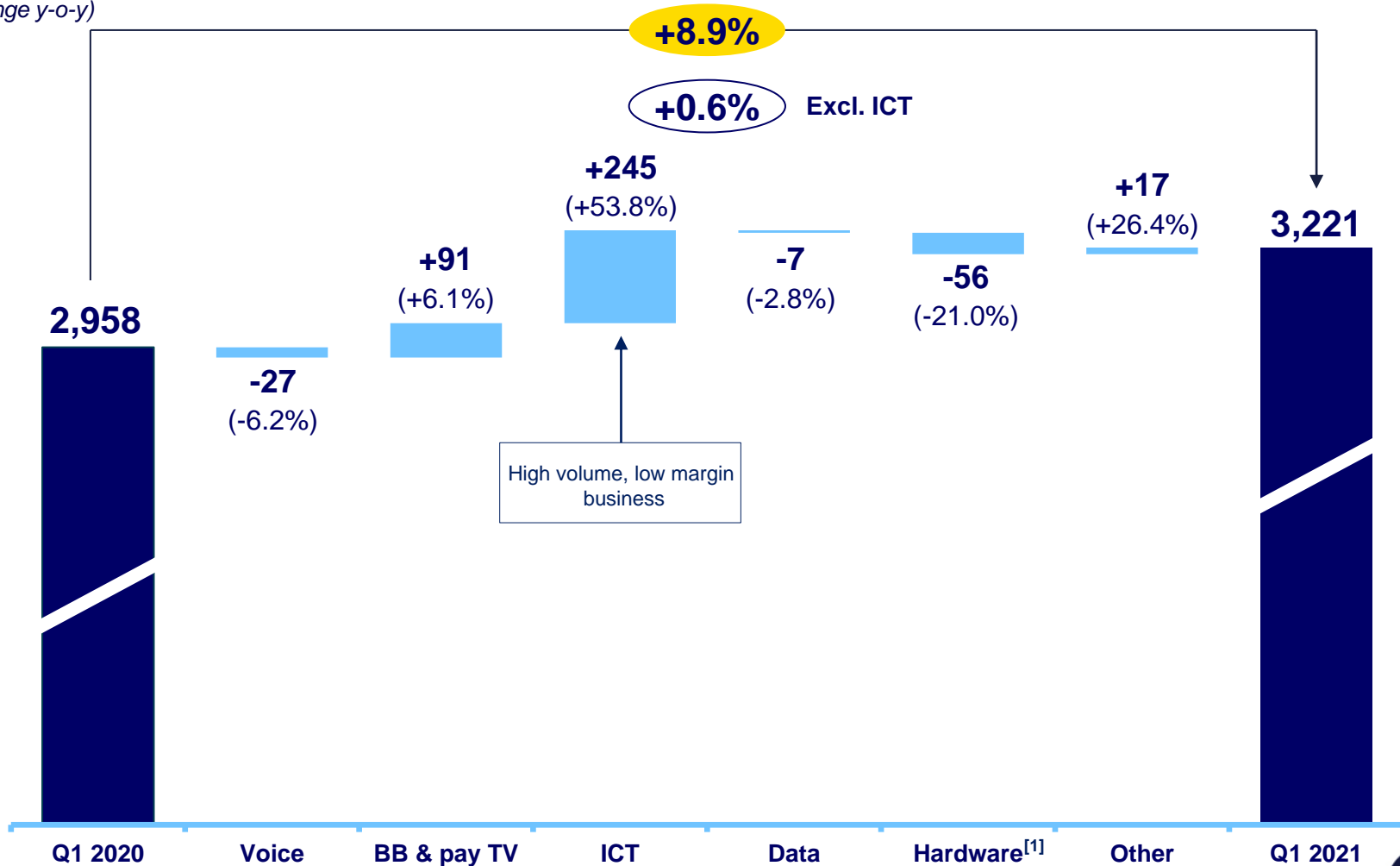


12 ^[1] Total Slovak revenue (incl. fixed business revenue): +8.3% y-o-y in EUR, +10.1% y-o-y in CZK, ^[2] Including other non-service revenue.



Fixed revenue remains flat excluding ICT... ...growth of ICT revenue still driven by new projects

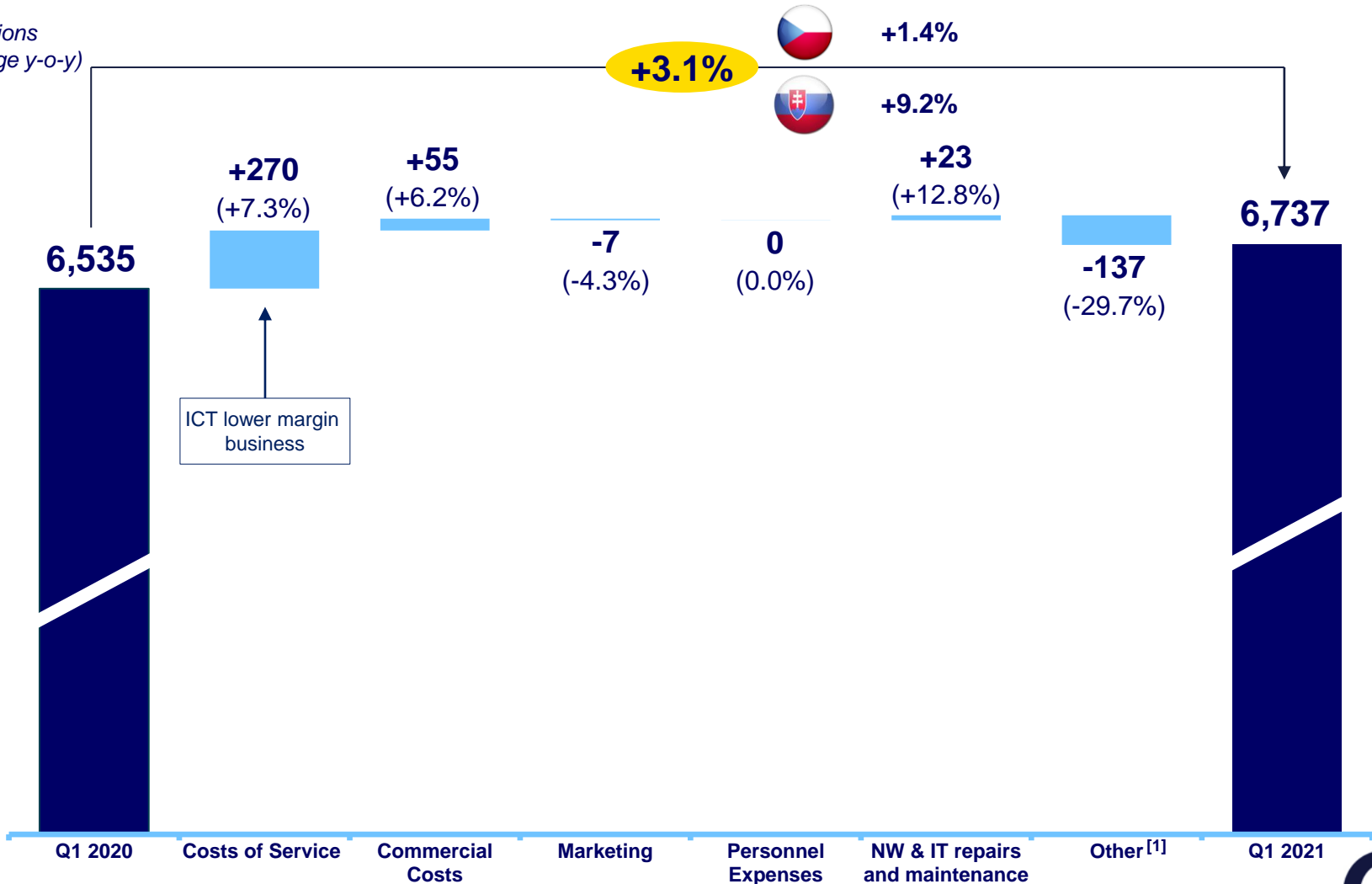
CZK millions
(% change y-o-y)





Underlying cost base is under control... ...higher cost of service mainly due to ICT projects

CZK millions
(% change y-o-y)



ICT lower margin business

^[1] Taxes other than income taxes, bad debt provisions, rentals, buildings, vehicles, consumables, consultancy, billing, collection, call centers, management fees and other; including internal expenses capitalized in fixed assets.



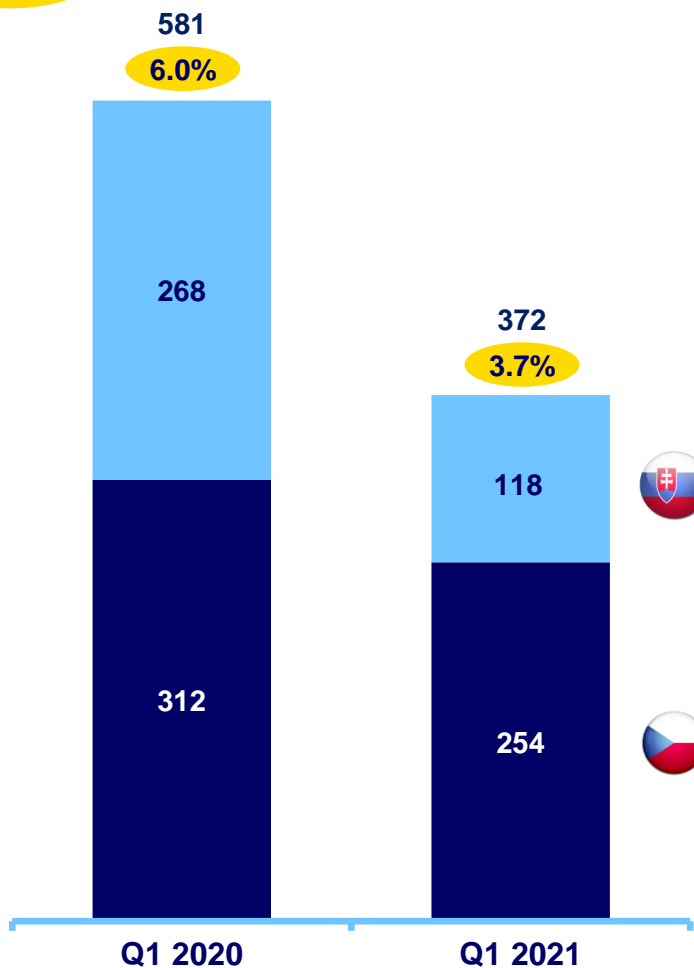


Strategic assets acquired in 2020...

...gradually impacting P&L and CF

CZK millions

CAPEX/
Revenue



Accounting treatment of strategic assets

	BS (Assets)	P&L (D&A)	CF
O2 Brand	✓	✓	1/2: ✓ 1/2: 2029 -2035
CZ spectrum	✓	Not yet	✓
SK spectrum	✓	Not yet	1/2: ✓ 1/4: Q2 2021 1/4: Q1 2022

- Directed mainly into IT development
- Q1 with a lower CAPEX intensity, especially in SK with an expected gradual increase
- 2H: Radio Access Network swap & 5G deployment





Balance sheet

Group balance sheet

<i>CZK millions</i>	31 Dec 2020	31 Mar 2021	31 Mar 21 /31 Dec 20
Non-current assets	29,285	28,594	-2.4%
- of which intangible assets	17,520	16,815	-4.0%
- of which property, plant & equipment	6,176	5,968	-3.4%
- of which right-of-use assets ^[1]	3,368	3,261	-3.2%
Current assets	11,116	13,219	+18.9%
- of which cash & cash equivalents	3,922	5,450	+39.0%
Total assets	40,401	41,813	+3.5%
Equity	13,786	15,125	+9.7%
Non-current liabilities	17,651	17,283	-2.1%
- of which financial debt	13,084	13,061	-0.2%
- of which lease liability ^[1]	2,885	2,813	-2.5%
Current liabilities	8,964	9,405	+6.4%
- of which financial debt	75	594	+692.0%
- of which lease liability ^[1]	659	660	+0.2%

