

Press release

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Tele2 sums up 3Q18 results

Moscow – Tele2, an alternative mobile operator, has reported consolidated financial and operating results of the company over 3Q18.

In 3Q18 the company exhibited the following financial results:

- operating revenue gained 15.4% compared to 3Q17 and reached RUB37.3 bn;
- EBITDA totaled RUB12.3 bn having increased 47.4% compared to the same period last year;
- EBITDA margin reached 32.9%, having added 7.1 pps compared to 3Q17;
- Investment into IT infrastructure and technological development totaled RUB4.4 rubles, having added 78.3% compared to 3Q17. CAPEX-to-revenue ratio totaled 11.8%;
- Net Debt-to-EBITDA dropped 36.2% down to 2.9;
- Net income totaled RUB1.6 bn.

Indicator (bn rubles)	Q3 2017	Q3 2018	Change	YTD 2017	YTD 2018	Change
Operating revenue	32.3	37.3	15.4%	89.7	105.3	17.3%
EBITDA	8.3	12.3	47.4%	22.5	32.6	45.0%
EBITDA margin, %	25.8%	32.9%	7.1 pps	25.1%	31.0%	5.9 pps
CAPEX	2.5	4.4	78.3%	7.5	16.1	113.8%
Net income	(1.4)	1.6	▲	(5.0)	2.6	▲

In 3Q18, the company achieved the following operating results:

- churn totaled 9.1%, having decreased 0.4 pps compared to the same period last year.
- ARPU increased 10.7% compared to 3Q17;
- Number of active data users on the Tele2 network increased 28.4% compared to the same period last year.

Indicator	Q3 2017	Q3 2018	Change	YTD 2017	YTD 2018	Change
Churn (%)	9.5%	9.1%	(0.4 pps)	28.2%	27.7%	(0,5 pps)

Sergey Emdin, CEO at Tele2:

“In 3Q18 Tele2 shows stable growth rates. Key financial and operating results reached and exceeded target indicators for 2018. Tele2 revenues added 15% y-o-y, whereas EBITDA indicator is growing 3 times faster than top line. In reporting period Tele2 once again showed increase in net income while we continue to increase investment into the network’s technological development. Tele2 managed to achieve these results thanks to structural improvement of subscriber base, increase in a share of active data users and increase in the clients’ loyalty. The “Other rules” strategy is helping us implement the “Other rules” strategy that allowed Tele2 to become a trendsetter on the Russian mobile market and stay the operator of our clients’ choice.”