

Press release

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## Tele2 reports FY2019 results: company increases net income by 145%

### Moscow – Tele2, an alternative mobile operator, has reported consolidated financial and operating results over 2019.

In 2019 the company exhibited the following financial results:

- Revenues increased 14% compared to 2018 and reached 163.3 bn rubles;
- EBITDA totaled 65.6 bn rubles having increased 50% compared to the same period last year;
- EBITDA margin reached 40.2%, having added 9.6 pps compared to 2018;
- investment into IT infrastructure and technology totaled RUB33.8 bn having increased 32.5% compared to 2018. CAPEX to revenues totaled 21%;
- Net income totaled RUB6.6 bn having increased by 144.6% compared to the same period last year;
- Net Debt-to-EBITDA dropped 35% down to 1.8.

| Indicator (bn rubles) | 2018  | 2019  | Change  |
|-----------------------|-------|-------|---------|
| Operating revenue     | 143.2 | 163.3 | 14%     |
| EBITDA                | 43.7  | 65.6  | 50%     |
| EBITDA margin, %      | 30.5% | 40.2% | 9.6 pps |
| CAPEX                 | 25.5  | 33.8  | 32.5%   |
| Net income            | 2.7   | 6.6   | 144.6%  |

In 2019, the company showed following operating results:

- as of 31 December 2019 the company's subscriber base totaled 44.6 mn having increased by 2.3 mn people over the year;
- average revenue per user (ARPU) increased 8.3% up to 305 rubles;
- yearly churn decreased 2.6 pps and totaled 34.8%;
- number of active data users increased 39% over the year.

| Indicator           | 2018  | 2019  | Change    |
|---------------------|-------|-------|-----------|
| Subscriber base, mn | 42.3  | 44.6  | 5.3%      |
| ARPU (RUB)          | 281   | 305   | 8.3%      |
| Churn (%)           | 37.5% | 34.8% | (2.6 pps) |

- number of MVNO clients on the Tele2 network totaled 3.75 mn, having increased 115% over the year (not accounted for in the company's subscriber base).

| Indicator                | 2018 | 2019 | Change |
|--------------------------|------|------|--------|
| MVNO subscriber base, mn | 1.75 | 3.75 | 115%   |