

Press release

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Tele2 net income continues growing: as of 2Q19 it totals 1.4 bn rubles

Moscow – Tele2, an alternative mobile operator, has reported consolidated financial and operating results over 2Q19.

In 2Q19, the company exhibited the following financial results:

- operating revenue gained 12.7% compared to 2Q18 and reached RUB39.7 bn;
- EBITDA increased 41.2% compared to the same period last year and totaled RUB15.5 bn;
- EBITDA margin reached 39.2%, having added 7.9 pps compared to 2Q18;
- Net income totaled RUB1.4 bn;
- Net Debt-to-EBITDA dropped 32.8% down to 2.2.

Indicator (bn rubles)	Q2 2018	Q2 2019	Change	H1 2018	H1 2019	Change
Operating revenue	35.2	39.7	12.7%	68.0	77.4	13.8%
EBITDA	11.0	15.5	41.2%	20.4	31.6	55.3%
EBITDA margin, %	31.3	39.2	7.9 pps	30.0	40.9	10.9 pps
Net Debt/EBITDA	3.3	2.2	(32.8%)	3.3	2.2	(32.8%)
Net income	1.0	1.4	42.6%	1.0	3.6	251.0%

In 2Q19, the company showed following operating results:

- churn totaled 7.6%, having enhanced a similar indicator compared to the same period last year;
- a number of active wireless Internet users increased 52% compared to the same period last year.

Indicator	Q2 2018	Q2 2019	Изменение	H1 2018	H1 2019	Change
Churn (%)	9.0%	7.6%	(1.4 pps)	18.7%	16.8%	(1.9 pps)

Sergey Emdin, CEO at Tele2:

“The second quarter was an important period for the company. Tele2 expanded its operations and is now present in 67 regions of the country. Our launches in Yaroslavl and Ivanov regions competed the project on providing residents of the Central Russia’s regions with high-quality mobile services and high-speed Internet. We continue implementing the “Other rules” strategy and launch unique services that make lives of our clients more comfortable. In 2Q, we launched smart tariff and see that it is in great demand by the clients. “Other rules” make Tele2 unique among other players on a highly competitive market, let the company win a high level of loyalty and maintain a low churn as well as allow to progress on its way to set targets.”

Additional information

Tele2 changed its methodology for accounting active data users. Now they are the clients who monthly consume 100 megabytes or more on 4G networks.