

Maintaining its strong growth during the first half of the year with 645,000 net adds of mobile postpaid and broadband

## **MASMOVIL Group continues to lead the customer acquisition of the Spanish market and obtains record revenue and EBITDA in the first half of the year**

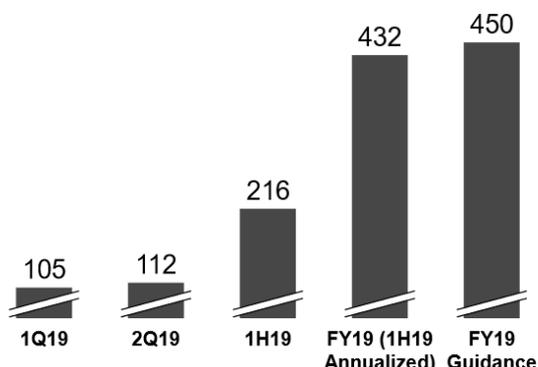
- EBITDA increases to 216M€ (+ 40%) and the margin improves to 27%. During the second quarter it increased by 40%, to 112M€.
- Service revenues increased 24% in the semester and total revenues 17%.
- The Company has obtained an adjusted net profit of 54M€ in the first half of the year.
- 8.3 million customers (+ 28%), of which more than 7M are mobile and more than 1.2M fixed broadband.
- 313,000 net adds between fixed broadband and mobile postpaid in the second quarter, thus maintaining its excellent commercial momentum.
- 19.8M homes with access to fiber optic network.
- MASMOVIL confirms its guidance for 2019 and will provide an update prior to or together with the publication of the results for the third quarter of 2019.

**Madrid, July 25th, 2019.**- Today [MASMOVIL Group](#) released its results corresponding to the first half of the year in which **the Company continues to lead the acquisition of customers in the Spanish telecommunications market and reaching new record for both revenues and EBITDA.**

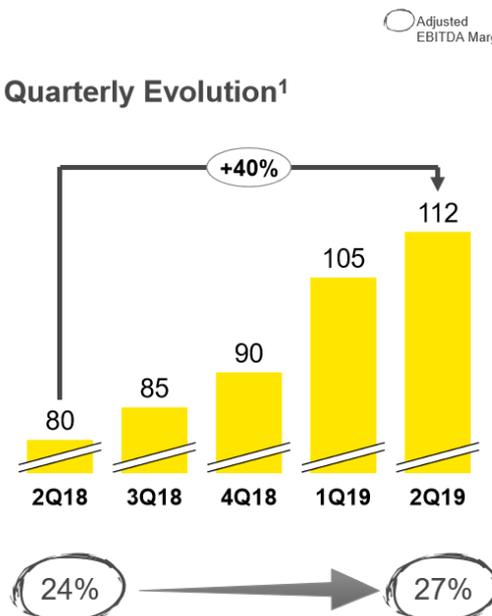
During this period, **MASMOVIL continues to increase the Group's profitability and has obtained a record EBITDA of € 216M (+40%). The EBITDA margin has increased from 23% in 1H2018 to 27% in 1H2019.**

In the second quarter, **EBITDA has reached 112M€, 40% more than the same period of last year, also setting a new quarterly record.** The quarterly EBITDA margin has reached 27%, compared to 24% in the same period last year

1H19 vs. FY19 Guidance



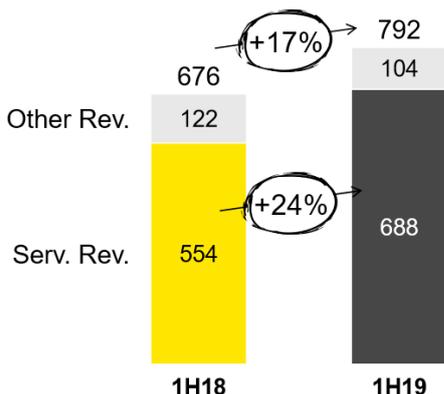
Quarterly Evolution<sup>1</sup>



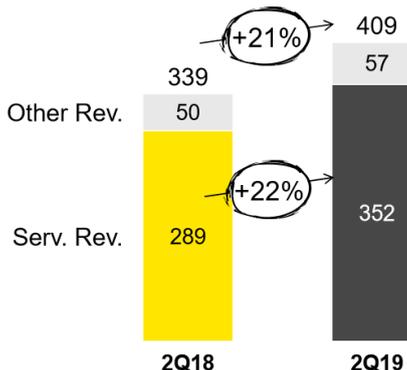
Service revenues have also increased by 24% in the first half compared to the same period of last year, reaching 688M€, significantly above the target of 22% announced for this year. During the second quarter, these revenues reached 352M€, an increase of 22% vs. the same period last year.

Total revenues during the first semester were 792M€, 17% more year over year. During the second quarter, revenues have accelerated and reached a total of 409M€, 21% more than those of last year.

Revenues



Revenues



During the first half of the year, the Company obtained an adjusted net profit of 54 M€ and a net result of € -34M, due to the impact on the Group's accounting of the purchase of the Providence convertible bond, which does not imply cash outflow.

*“We continue to lead the growth of the Spanish telecommunications market by setting new records in our main economic and financial parameters. Our ambition is to continue creating a dynamic operator, with its own fixed and mobile infrastructure and with the most satisfied customers in the market” Said Meinrad Spenger, CEO of MASMOVIL.*

**Significant increase in its fiber optic footprint (+ 53.8% compared to 2Q18) during the first half of the year, reaching 19.8M of homes**

During 2019, MASMOVIL continues to invest rapidly in the development of its own networks, mainly in the fiber optic network, and **by the end of the first half of the year it had invested a total of 234M€**, of which, **105M€ have been allocated to this technology.**

MASMOVIL had at the end of the first semester **19.8M available households with its fiber offer, - 7.6M with own fiber + 69% -, 53.8% more than the households of the same period last year.** The remaining (12.2M households) are accessible, mainly, through its agreement with Orange and the commercialization of the NEBA regulated offer.

**The MASMOVIL fiber network continues to be the fastest in Spain** according to the recent report by the prestigious French consultant nPerf, "Barometer of fixed Internet connections in Spain", in which, after **more than 800,000 tests carried out in the first half MASMOVIL, for the second consecutive year, has offered on an average the best speed and latency in Spain to its fixed broadband customers.**

In addition, its own mobile network and agreements with other operators **permits the Group to have a 4G coverage of 98.5% of the Spanish population, the highest level in Spain.**

On the other hand, the Company already has 80MHz in the 3.5GHz band to offer 5G services acquired at a price approximately 4 times below the average auction price. MASMOVIL is the operator with the largest amount of spectrum per customer in Spain, doubling the spectrum per customer of the competition.

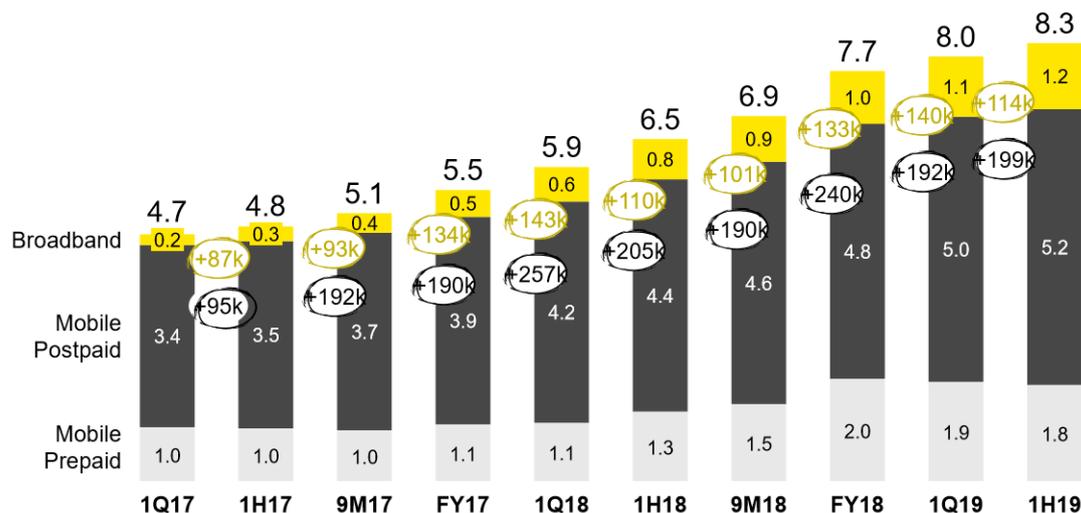
**Commercial results: 645,000 new fixed broadband and mobile postpaid customers added in the first half of the year to reach 8.3M of total customers**

Regarding commercial results, **MASMOVIL Group continues with its excellent dynamics** growth in all market segments **and closed the first half of the year with 645,000 net adds in the period between mobile postpaid and fixed broadband.**

During the second quarter, **the Group reached 313,000 net adds in these segments, a figure very similar to that achieved in the same quarter last year.** These data demonstrate that the Group's multi-brand strategy continues to offer very positive results.

Of these customers, **199,000 are mobile postpaid customers and 114,000 fixed broadband** - this figure improves the 110,000 fixed broadband new contracts of the same quarter last year - being the seventh consecutive quarter with a fixed broadband increase level by over 100,000 and eighth with a level of postpaid pickup above 190,000.

**By the end of the first semester, MASMOVIL had 8.3M lines, 28% more than last year, of which more than 7M are mobile (5.2M belong to the postpaid segment, 19% more than last year) and more than 1.2M of fixed broadband, 65% more than those of the previous year.** 78% of total broadband customers are fiber optic.



**Confirms its forecasts for 2019**

Taking into account the good results obtained by the Company in the first half of the year, MASMOVIL **confirms its guidance for 2019 and will provide an update** prior to or together with the publication of the results for the third quarter of 2019.

The current financial objectives of MASMOVIL already reported are:

- o Income for services of 1,445M€
- o Adjusted EBITDA 450M€
- o Capex net Total 360M €

**About MASMOVIL Group**

MASMOVIL Group is the fourth largest converging telecommunications operator in Spain that provides fixed, mobile and broadband Internet services for residential, business and Wholesale, through its main brands: Yoigo, Pepephone, MASMOVIL, Lebara and Llamaya.

The group relies on a fiber/ADSL network for broadband and 3G and 4G network for mobile telephony. At present, it has close to 20 million fiber households and reaches 18 million homes with ADSL. The companies' 4G mobile network covers 98,5% of the Spanish population. The Group has more than 8.3 million customers in Spain at the end of the first semester of 2019.

MASMOVIL Group has been awarded with the [prize "Best fiber operator" by ADSLZone 2018](#) and the ["Best fiber operator by the website El Grupo Informático"](#). In addition, it has been named ["Revelation Company" in the Business Awards of the Vocento Group](#).

Additionally, it is the operator with the fastest fiber network in Spain according to a study during 2019 by the company, [nPerf](#), and the operator with the fastest 3G+4G aggregated mobile network in Spain, according to a study by the company, [Tutela](#). Finally, it has obtained the highest score as the Spanish mobile operator best valued by customers, according to the "Customer Experience Index 2017", prepared by the consultancy Stiga.

**Further information:**

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