

# GRUPO MAS MOVIL

## Earnings Presentation FY21

April 5<sup>th</sup> 2022

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# MASMOVIL – FY21 Key Highlights

Growth momentum & integration with EKT continues according to plan



**EKT integration as planned**, expected synergies on track



**Growth** continues in FY21 despite tough market conditions



**Rep. Service Revs of €2.23bn (+28% YoY)**



**Rep. Adj. EBITDA of €949M (+48% YoY)**  
EBITDA margin of 38% (+5pp YoY)



**3.1M Broadband lines and 14.5M total lines**  
**Fiber footprint reaches 27.0M BUs**



**Net Debt of €6.7bn; Total structural leverage of 5.0x<sup>2</sup> or 4.1x senior**

1: Euskaltel has been consolidated starting August 2021

2: Senior secured leverage of 4.1x. See page 16 of this presentation for details

# Operational Milestones & Initiatives

Integration with Euskaltel is progressing well

## **Euskaltel Integration**

- Unified organization implemented
- Mobile migration well advanced: >90% of Euskaltel & R traffic migrated
- Netco transaction progressing in line with expectations
- Restructuring of wholesale agreements completed
- Virgin brand included in non-exclusive physical shops

## **Corporate and Other**

- Portugal: Spectrum auction finished in-line with plans and strong portfolio of frequencies acquired
- Ucles project: €306m cash inflow from the sale of FTTH BUs has been reflected within FY21 capex
- Full ownership of GUUK assumed
- New services launched including Home Security & Insurance

# Relevant achievements on ESG

Net Zero Emissions & B Corp Certification achieved both in 2021



**First European Telco to achieve Net Zero Emissions at Group level for Scope 1, 2 including Euskaltel**



**First European telco obtaining the B Corp certification**



**Environmental management certification ISO 14001 ratified in November 2021**



**Best talent management & Best Telco to work in Spain<sup>1</sup>**



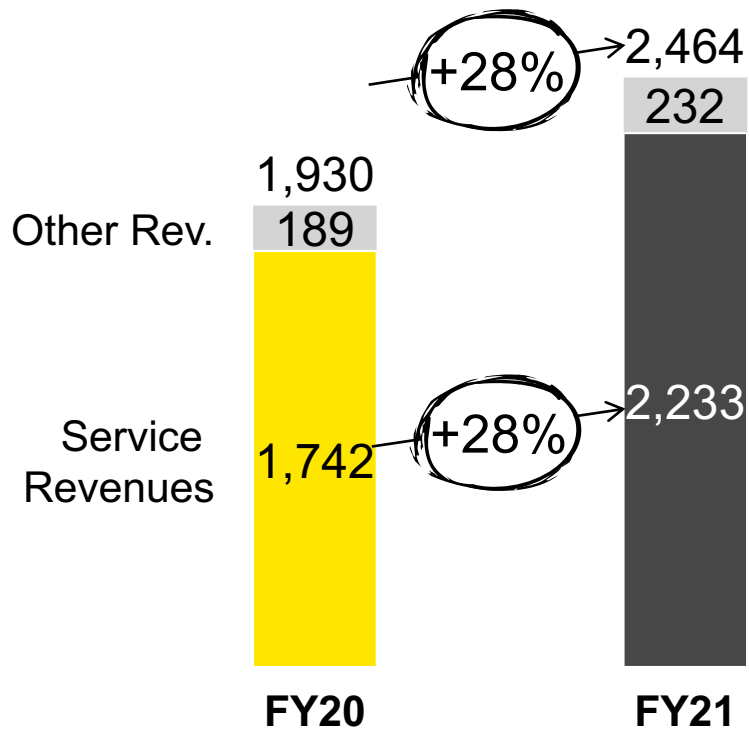
**First company to partially base its TLB and RCF interest margins on its ESG score**

# Revenues FY21

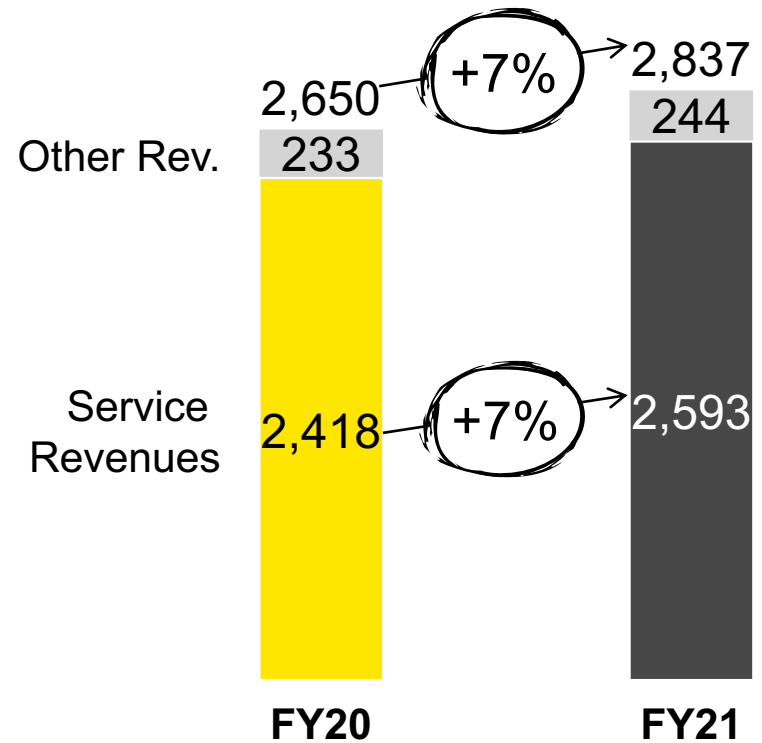
Reported Revenues +28% YoY. Proforma Revenues +7% YoY

€M

## Reported Revenues



## Proforma Revenues<sup>1</sup>



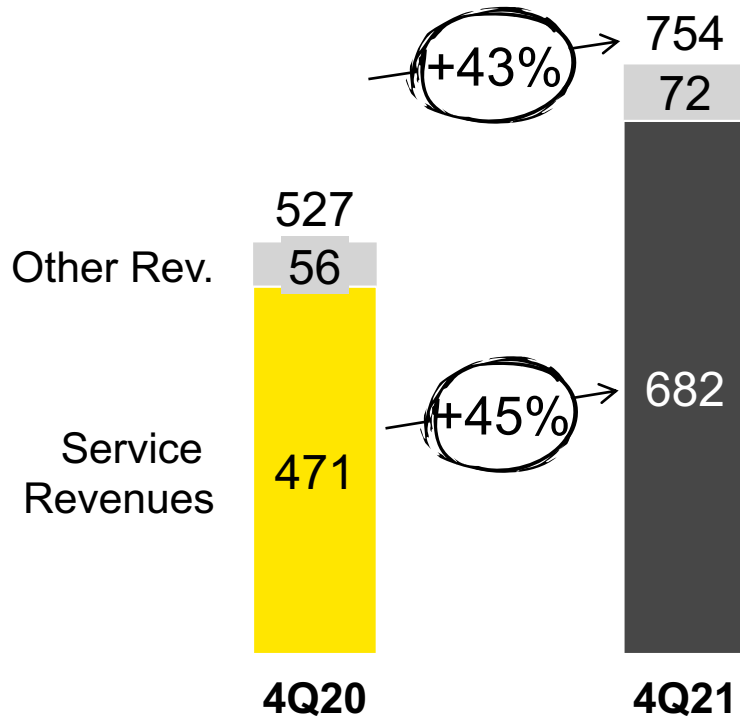
1. Euskaltel has been consolidated starting August 2021. Proforma figures include Euskaltel's results for the full year to facilitate a like-for-like proxy comparison. No consolidation adjustments have been considered. Proforma figures are also adjusted to consider a full year impact from the August 2021 TV business divestment.

Source: Company

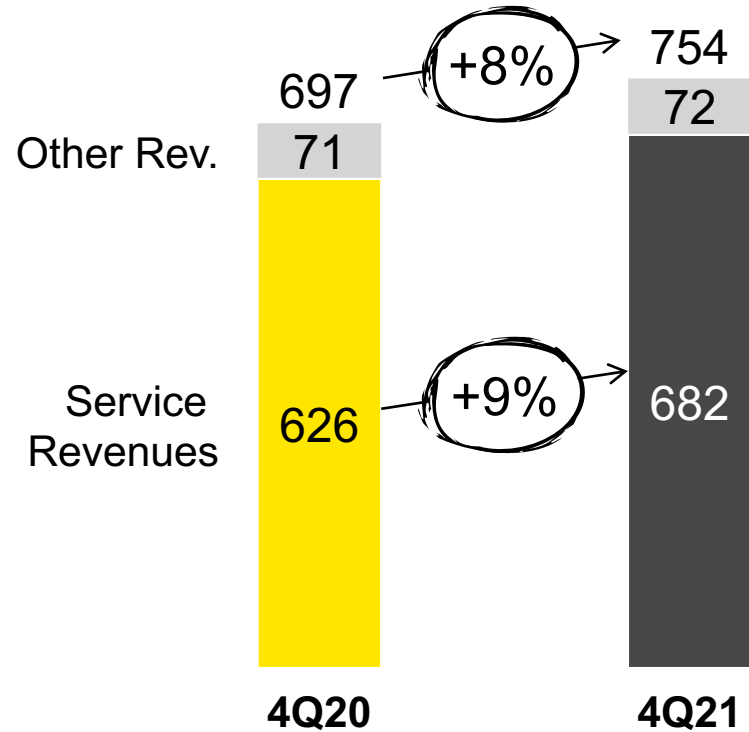
# Revenues 4Q21

Reported Serv. Revenues +45% YoY. Proforma Serv. Revenues +9% YoY  
€M

## Reported Revenues



## Proforma Revenues<sup>1</sup>



1. Lyca was consolidated since June 2020. Euskaltel since August 2021. Proforma figures include both Lyca and Euskaltel's results for the full year to facilitate a like-for-like proxy comparison. No consolidation adjustments have been considered. Proforma figures are also adjusted to consider a full year impact from the August 2021 TV business divestment.

Source: Company

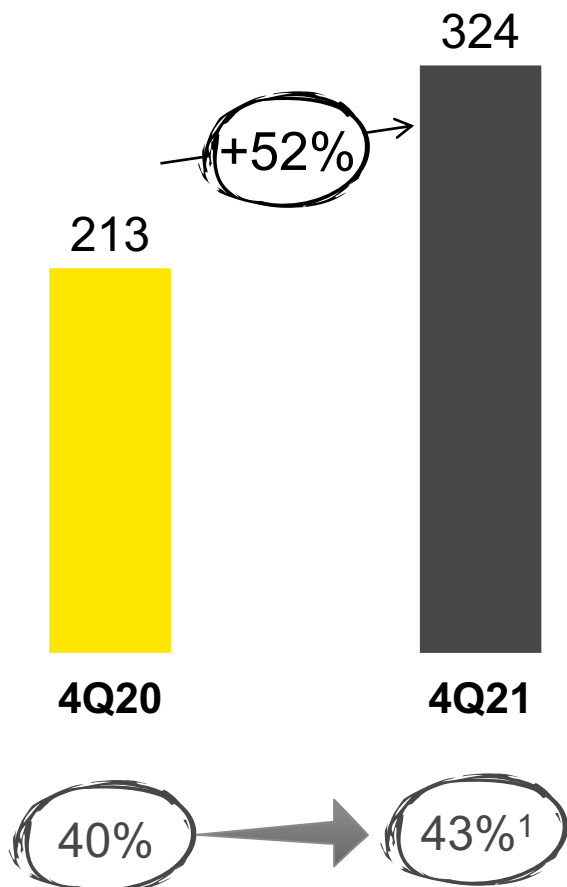


# Reported Adjusted EBITDA

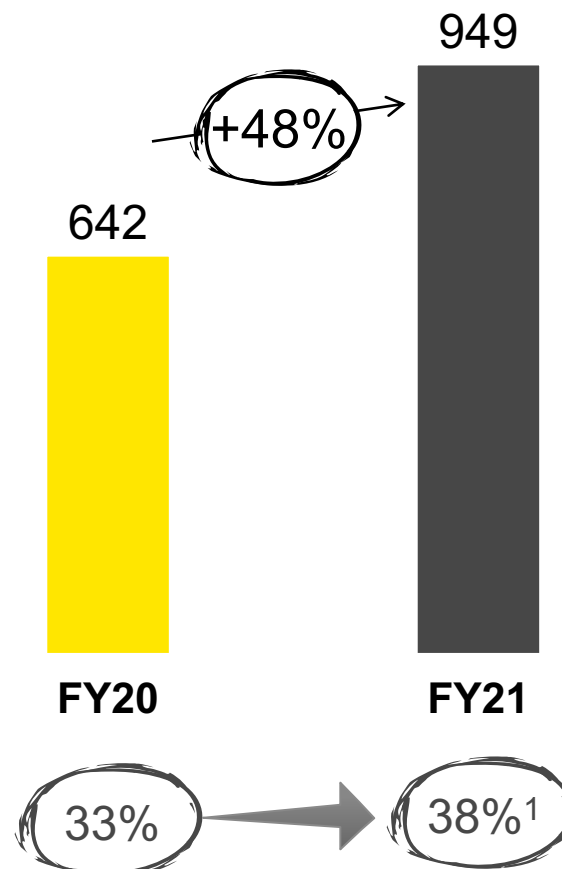
Rep. Adj. EBITDA +48% YoY in FY21, with 38% Margin

€M

## Reported Adj. EBITDA 4Q21



## Reported Adj. EBITDA FY21



○ Adj. EBITDA Margin

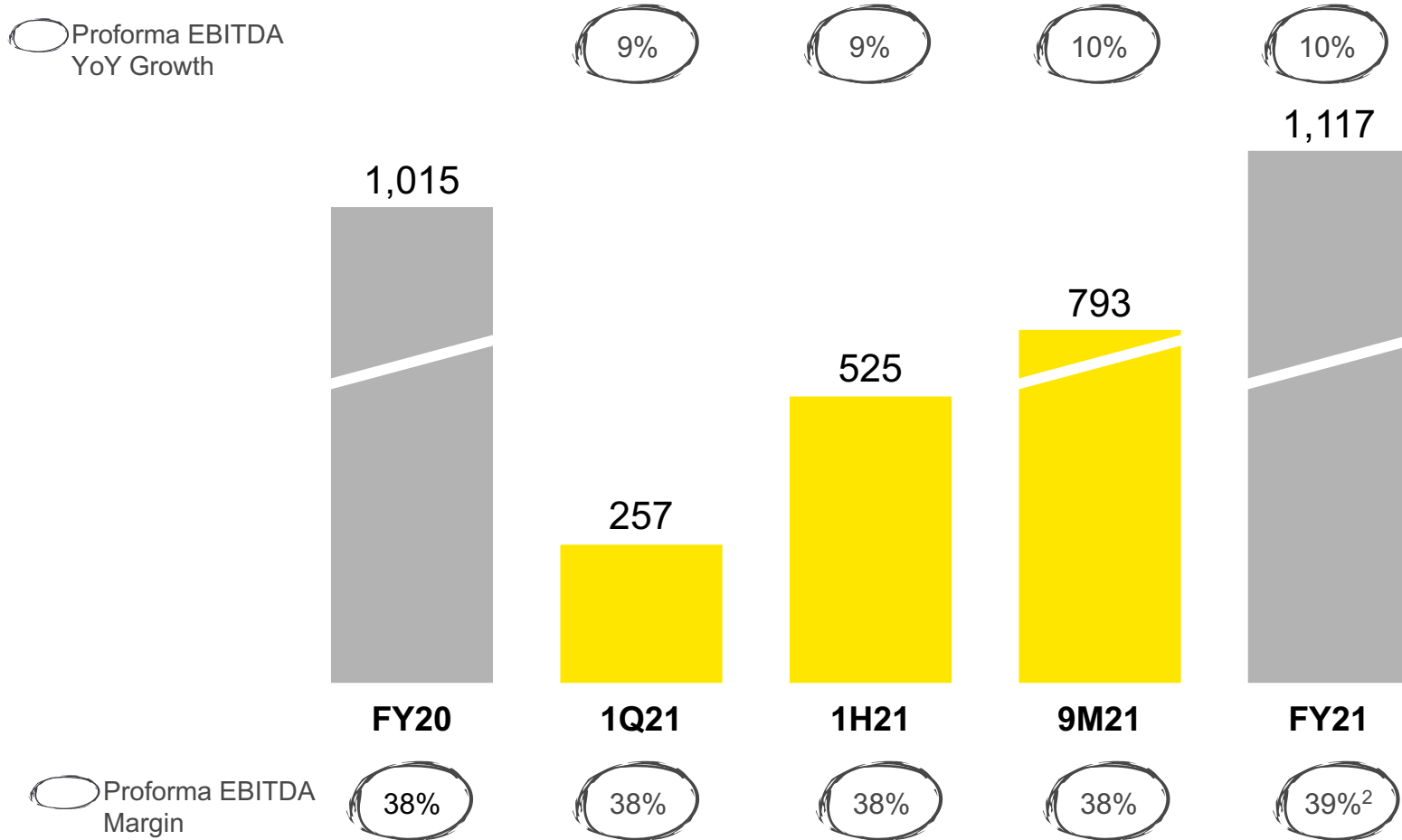
Source: Company

<sup>1</sup> Reported Adj. EBITDA Margin positively impacted by IFRS3 in around 2p.p. in 4Q21 and 3p.p. in FY21

# Proforma Adjusted EBITDA<sup>1</sup>

FY21 Proforma Adj. EBITDA YoY growth of +10%, Margin of 39% (+1p.p.)

€M



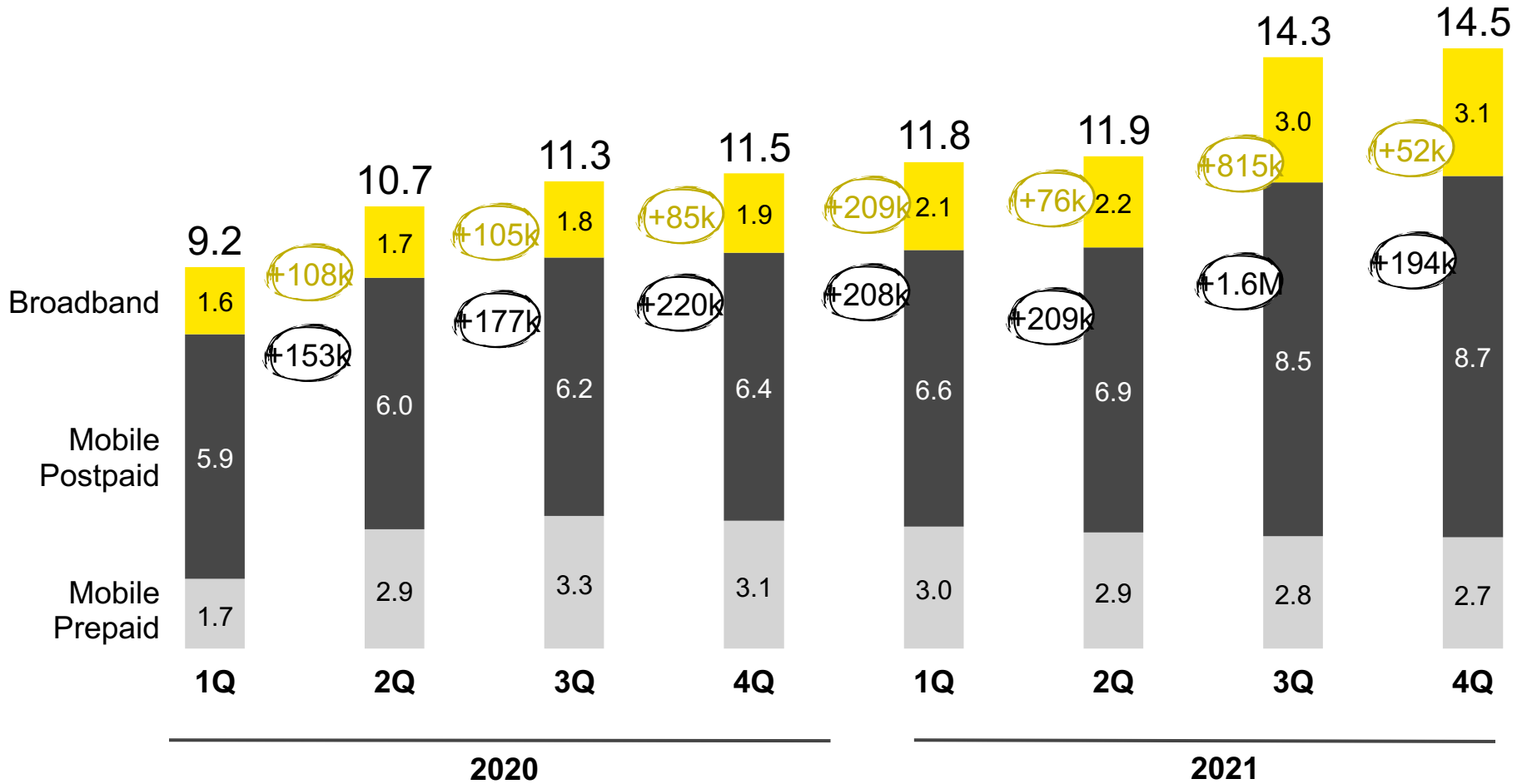
<sup>1</sup> Lyca was consolidated since June 2020. Euskaltel since August 2021. Proforma figures include both Lyca and Euskaltel's results for the full year to facilitate a like-for-like proxy comparison. No consolidation adjustments have been considered. Proforma figures are also adjusted to consider a full year impact from the August 2021 TV business divestment.

<sup>2</sup> FY21 Proforma Adj. EBITDA Margin positively impacted by IFRS3 in c.3p.p.

# Evolution of Mobile & Broadband Lines

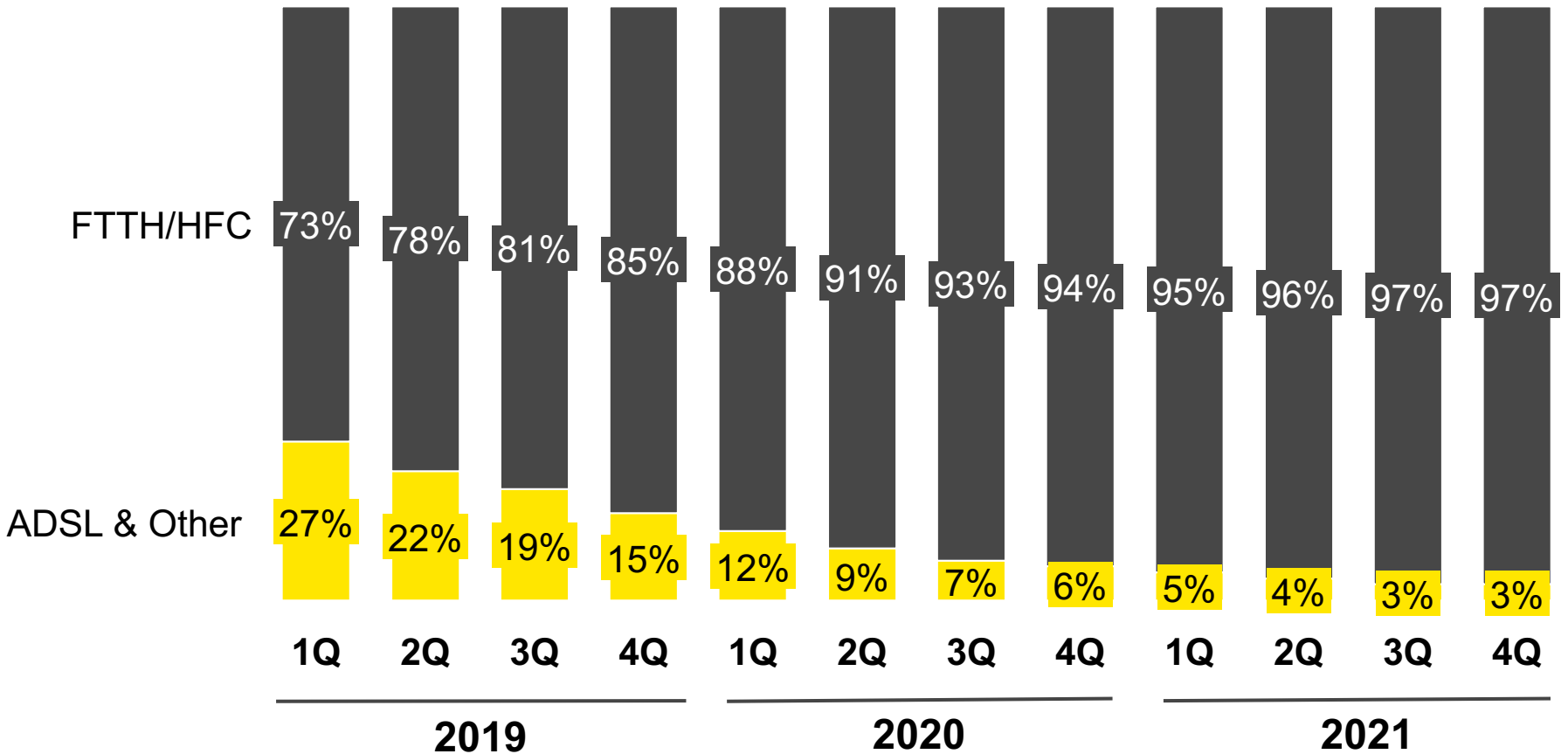
Broadband lines ahead of 3.0M with total lines at 14.5M

Million lines



# Broadband Access by Technology

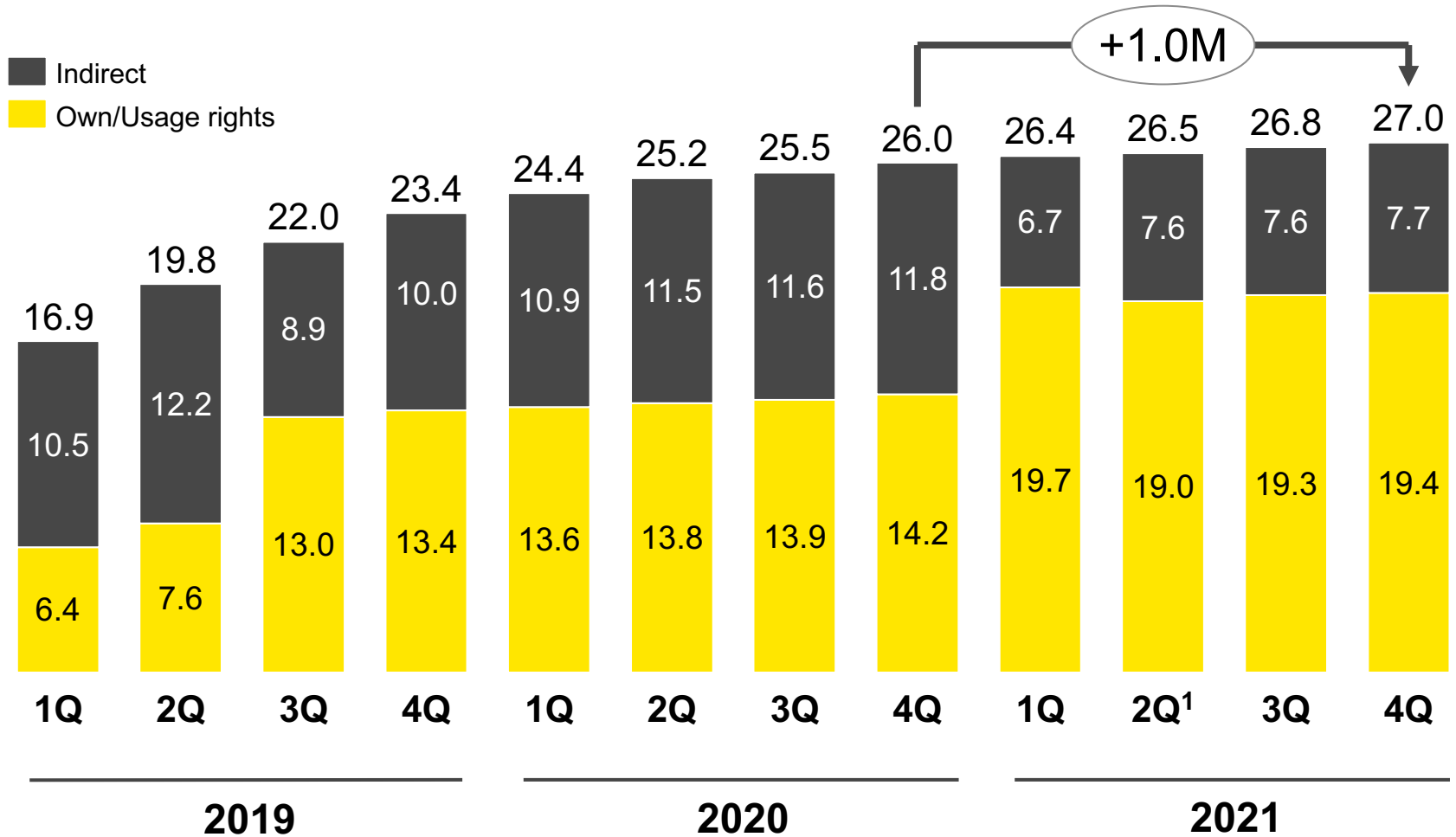
FTTH/HFC share continues to grow & represents >97% of total BB base



# Fiber Footprint Expansion

FTTH footprint reaches 27.0M BUs of which >70% are own/usage rights BUs

Million BUs

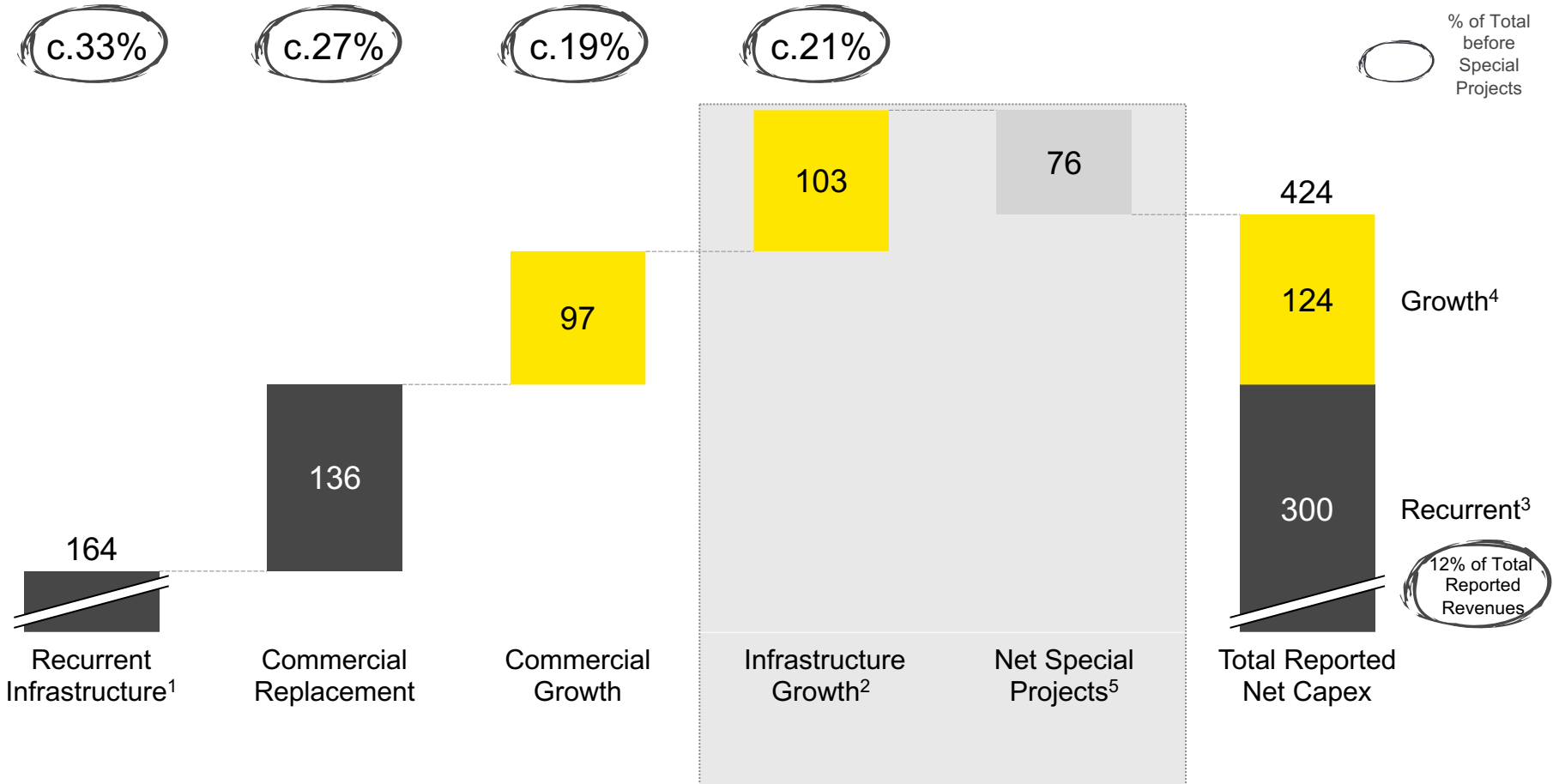


<sup>1</sup> Change in mix between Own/Usage rights and Indirect due to sale of FTTH footprint as part of the Ucles project

# Reported Net Capex FY21

Recurrent capex at 12% over total revenues, with infrastructure capex to be kept at moderated levels

€M



1 Includes all maintenance of both fixed and mobile infrastructures, plus IT & spectrum Capex

2 Includes all infrastructure Capex that is not accounted under maintenance infrastructure Capex and other non-recurring capex derived from EKT integration

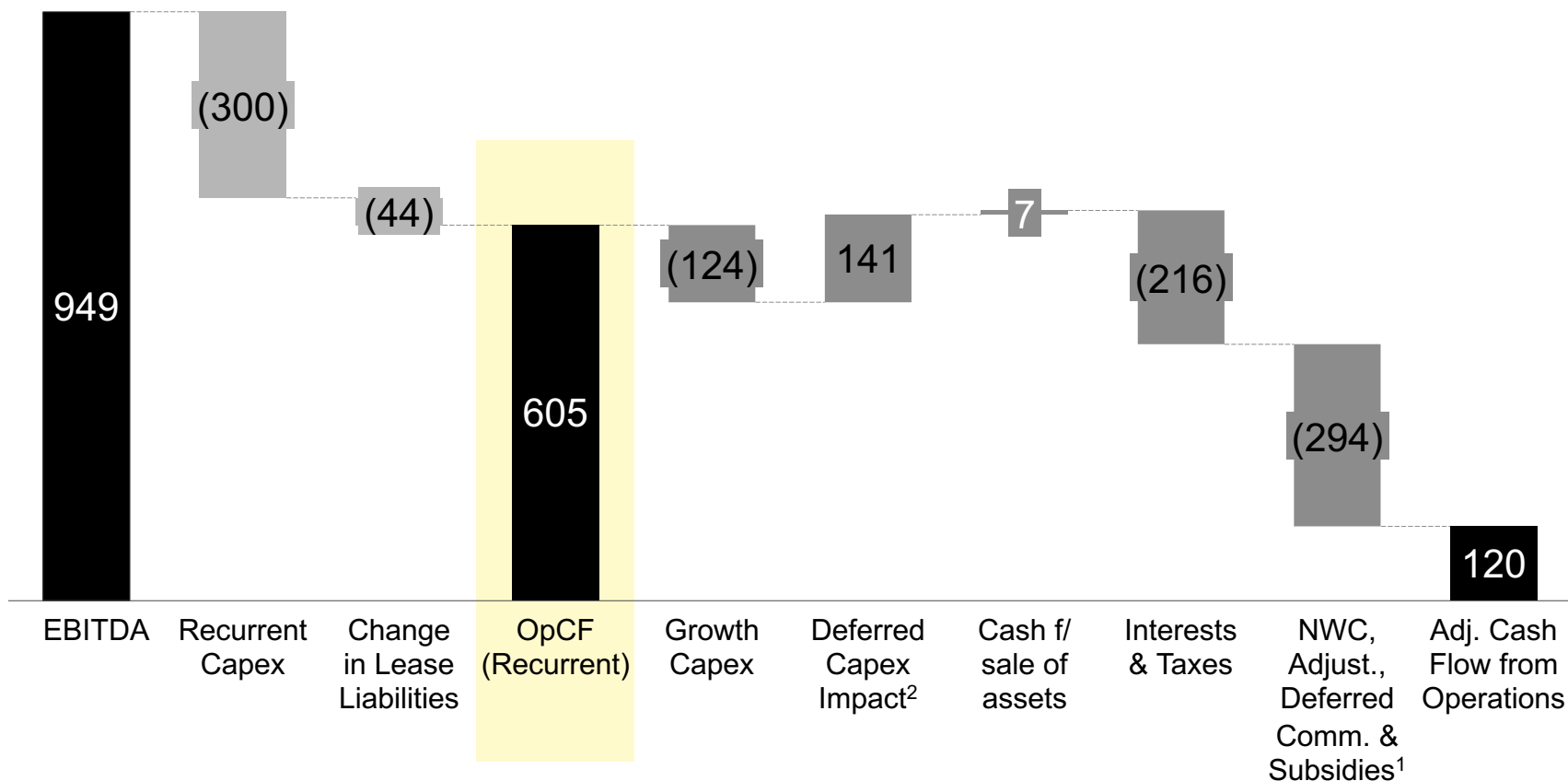
3 Includes churn related (replacement) commercial Capex and maintenance infrastructure Capex

4 Net FTTH network deployment & commercial growth-related capex

5 Monterrei project for €230M capex, net of Ucles project for €306M cash inflow

# Reported Cash Flow From Operations FY21

Recurrent Operating Cash Flow €605M, with €120M Adj. CF f/ Operations  
€M



<sup>1</sup> Includes IFRS15

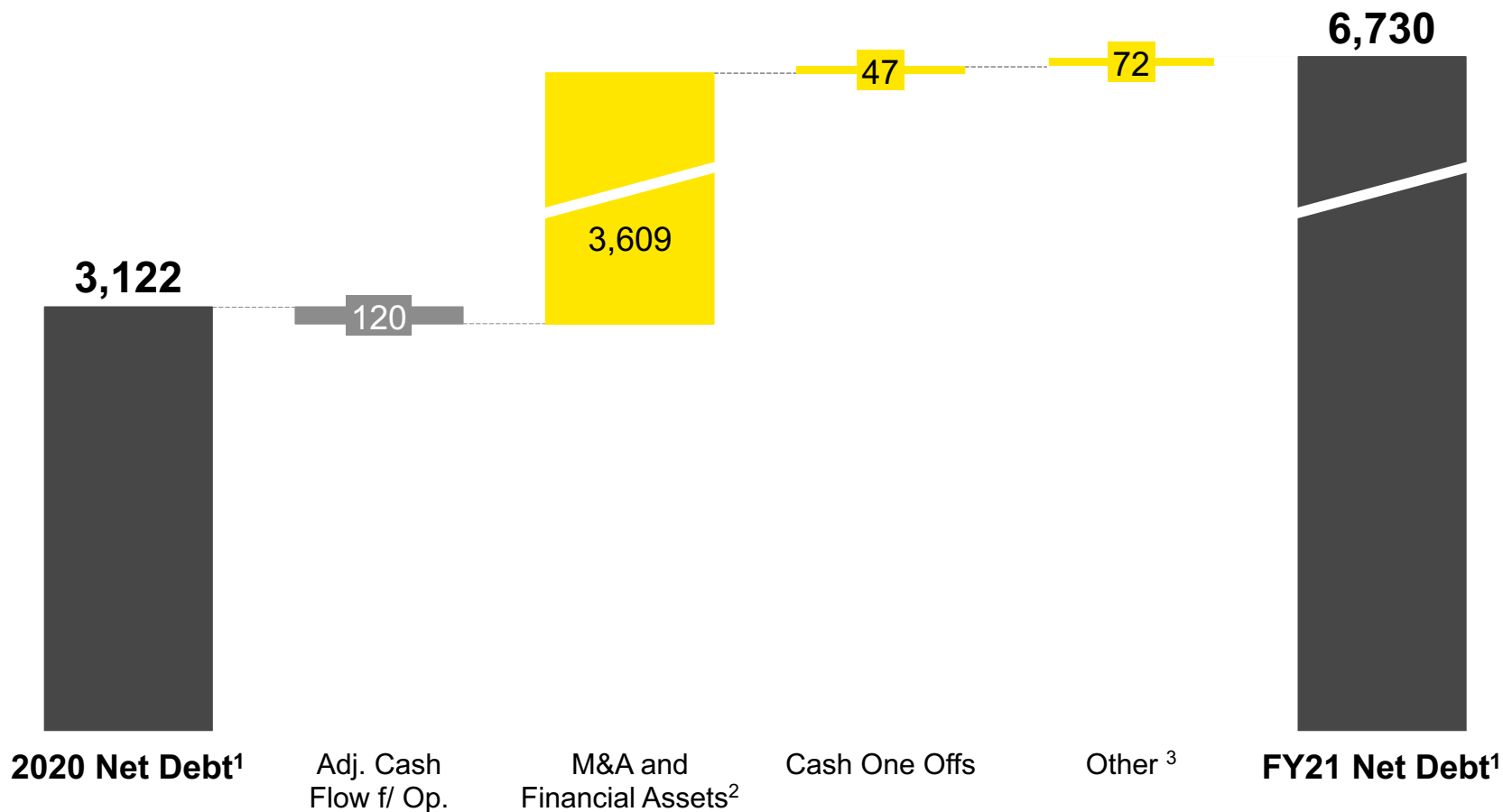
<sup>2</sup> Includes mainly both the Pomelo project and the non-cash Monterrei project (€230M)

Source: Company

# Change in Reported Net Debt FY21

Net debt reached €6.7bn post Euskaltel acquisition

€M



1 As per Company's calculations, includes asset disposal bridge, excludes IFRS16 financial leases adjustment

2 Mostly due to Euskaltel acquisition. It includes M&A payments, plus the net debt incorporated at the time of the acquisition for €167M, plus €66M of acquisition related one-offs.

3 Includes other accrued debt and interest in B/S

Source: Company



# FY21 Structural Net Debt Leverage<sup>1</sup>

Net leverage of 4.1x and 5.0x on a senior secured and total basis

(€m)	FY21
TLB	3,200
Senior Secured Notes	2,350
Senior Unsecured Notes	500
RCF	0
Commercial paper	388
LT Bridge Loans	0
M&A deferred payments	60
Other bank debt, grants, depositis & guarantees	25
Finance leases	232
Cash & Equivalents	-152
<b>Total Structural Net Debt</b>	<b>6,603</b>
Structuring EBITDA	1,327
<b>Leverage on Total Structural Net Debt</b>	<b>5.0</b>
Senior Structural Net Debt	5,398
<b>Leverage on Senior Structural Net Debt</b>	<b>4.1</b>

Source: Company.

Note: Structural net debt is nominal (vs. accounting in previous slide) and includes debt from leases but, excludes the €500M from the asset bridge loan

1: 4Q21 L2QA annualized Adjusted EBITDA plus synergies, run rate and Netco Adj.

**Thanks a lot and see you all next quarter!**



# Appendix



# Income Statement Summary

€M

(€M)	FY20 Proforma	FY21 Reported	Growth FY21/FY20
Service Revenues	1,742	2,233	28%
Other revenues	189	232	23%
<b>Revenue</b>	<b>1,931</b>	<b>2,465</b>	<b>28%</b>
Other operating revenue	59	110	86%
Cost of sales	-1,219	-1,470	21%
Other operating expenses	-129	-156	21%
<b>Adjusted EBITDA</b>	<b>642</b>	<b>949</b>	<b>48%</b>
Net one-offs	-118	-93	-21%
Capital gain sale of assets and loss impairment	-20	205	nm
<b>Reported EBITDA</b>	<b>504</b>	<b>1,060</b>	<b>111%</b>
Depreciation and amortization	-386	-681	76%
<b>Reported EBIT</b>	<b>117</b>	<b>380</b>	<b>224%</b>
Net financial expenses	-226	-252	11%
<b>Reported Profit before taxes</b>	<b>-109</b>	<b>128</b>	<b>nm</b>
Income tax	31	62	nm
<b>Net income before minorities</b>	<b>-78</b>	<b>189</b>	<b>nm</b>
Minorities	1	0	nm
<b>Reported Net Income/(Loss)</b>	<b>-77</b>	<b>189</b>	<b>nm</b>

# Cash Flow Statement Summary

€M

(Million €)	FY21
Adjusted EBITDA	949
NWC, Adjustments, Deferred Commissions and Subsidies	(294)
Payments from lease liabilities (IFRS16)	(44)
Net Financial expenses	(160)
Corporate tax	(56)
<b>Cash Flow from operations before Capex</b>	<b>395</b>
Accrued Net Capex (before special projects)	(500)
Payments for previous periods Capex	(89)
Cash from sale of assets (includ. special projects)	313
<b>Cash Flow from Capex</b>	<b>(276)</b>
<b>Adjusted Cash Flow from operations</b>	<b>120</b>
One-offs	(113)
<b>Cash Flow from operations</b>	<b>7</b>
M&A	(3,376)
Financing	3,440
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>71</b>

# Net Debt Structure: Reported view

M€

(€m)	FY21
TLB	3,094
Senior Secured Notes	2,332
Senior Unsecured Notes	492
RCF	0
Commercial paper	388
LT Bridge Loans	491
M&A deferred payments	60
Other bank debt, grants, deposits & guarantees	26
<b>Total Gross Debt (as per Company's calculations)</b>	<b>6,882</b>
Cash & Equivalents	152
<b>Group's Net Debt (as per Company's calculations)</b>	<b>6,730</b>

Source: Company

Please note that previous figures are calculated excluding some debts, mainly debts without cash interest charges or with shareholders, including €232M of financial leases under IFRS16 accounting practices