



# OTE Group Q1 2023 Results

May 2023

Member of  Group

  
GROUP OF COMPANIES

# Disclaimer

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Before entering into any transaction, investors should determine any economic, trading and financial risks, restrictions and benefits, as well as any legal, tax, accounting consequences of doing so, and their ability to assume such risks, without reliance on the information contained in this presentation. You should consult a professional financial advisor before entering in any transactions in securities mentioned herein.

In addition to figures prepared in accordance with IFRS, OTE also presents alternative performance measures, including, among others, EBITDA, EBITDA margin, adjusted EBITDA, adjusted EBITDA margin, free cash flow, adjusted free cash flow, net debt, adjusted net debt, Capex and adjusted Capex. These alternative performance measures should be considered in addition to, but not as a substitute for, the information prepared in accordance with IFRS. Alternative performance measures are not subject to IFRS or any other generally accepted accounting principles. The purpose and calculations of all 'Adjusted' data and the Alternative Performance Measures presented are detailed in the Alternative Performance Measures Section in the Quarterly Press Releases.

All figures in 2021 adjusted to reflect only continuing operations; TELEKOM ROMANIA operations along with certain significant commercial transactions (MVNO agreement and handset sales) that existed between TELEKOM ROMANIA and TELEKOM ROMANIA MOBILE (Romania mobile) until the completion of the sale of TELEKOM ROMANIA have been treated as discontinued operations. The sale was concluded on September 30, 2021.



# Strategy: The 7 Pillars of our Strategic Plan



# Digital Transformation

Our goal: to be the leader for Digital Transformation in Greece and a role-model in Europe  
with superior Customer Experience & Operational Efficiency



## DIGITAL @CUSTOMER

### Digital Interplay

- One App primary touchpoint for all customer interactions
- Pure digital Mobile Rate plan
- Boost online sales
- Contextual digital campaigns

### Digitalize Service Processes

- Order2Bill: self-service ordering
- Fault2Repair: self-service fault handling

### Simplify Portfolio

- Simplify Product & Tariff portfolio
- Simplify customer journeys
- Converged & simplified IT stack



## DIGITAL @NETWORK

### Simplification

- Decommissioning of legacy platforms

### Autonomous Network Operation

- Predictive Maintenance
- Artificial Intelligence @ Network

### Digitalize Field Service

- Autonomous Field Service
- Field technicians digitalization



## DIGITAL @COMPANY

### Internal Interactions

- Enterprise Mobile App for employees
- Tools for collaboration

### Digital Processes

- Processes simplification & automation
- Digitalized & unified workflows
- Digital Signatures

### Digital Culture & Skills

- Growth mindset
- Digital Skills & Learning
- Innovation culture

# 2022 ESG Targets- Performance



## CLIMATE CHANGE

OTE Group contributes to DT Group Climate Change Targets:

- Net Zero for direct and indirect energy consumption including up to 95% reduction by 2025
- 100% Renewable electricity (2021 onwards)
- 25% Emission reduction per customer for value chains emissions by 2023 (vs 2017)
- Net Zero emissions across the value chain (scope 1-3) by 2040

## RESOURCE EFFICIENCY

### Sustainable Waste Management

- **Zero** ICT waste to landfill (2022 onwards)
- **Take back schemes of mobile devices:**
  - Ratio (%) of mobile devices collected vs sold in previous year: 12% by 2024 (vs 2022)
  - Reach approx. 400,000 items of mobile devices (2022-2024)



### Zeroplastic

- **Retain single use plastic culture** in major buildings in 2022



### Sustainable Packaging

**100% sustainable packaging:**

- Own branded newly launched CPEs (by mid 2022)



### Paper Reduction

- **25% paper reduction** (2020-2023)



## DIGITAL INCLUSION

Impact ~15 mil. peoples' lives through digital inclusion initiatives by 2024 (from 2021)

## 2022 PERFORMANCE

- Scope 1 & 2: **86%** CO<sub>2</sub> reduction (vs 2017)
- **100%** Renewable Electricity: **423** GWh
- Scope 3: **413 kt** CO<sub>2</sub> eq
- **100%** of ICT waste sustainably managed
- **~4,000 t** of ICT waste sustainably managed
- **11%** of mobile devices collected vs sold in 2021
- **> 155,000** pcs collected for recycling
- **~39%** of 2024 target (of pcs) achieved
- **> 1.1 mil. pcs** of single-use plastic avoided
- **1<sup>st</sup>** sustainably packaged own branded CPE launched
- Guidelines in specs for own newly launched/ refurbished CPEs
- **20%** reduction of paper consumption vs 2020
- **~4.4 mil paper sheets** (22t of paper) reduced vs 2020
- **> 9 mil.** beneficiaries (direct & indirect) since 2021
- **61%** of the 2024 target achieved

# Sustainability Strategic Priorities: Commitments 2023 onwards



## CLIMATE NEUTRALITY- Updated Targets

OTE Group<sup>1</sup> contributes to DT Group Climate Change Targets:

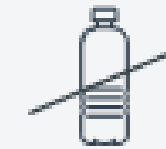
- Net Zero for direct and indirect energy consumption (scope 1 & scope 2), including up to 95% reduction by 2025.
- 100% Renewable electricity, from 2021 onwards.
- 55% reduction of CO<sub>2</sub> emissions (scopes 1–3), with respect to 2020 levels - **NEW**
- Net Zero emissions across the value chain by 2040.

## CIRCULAR ECONOMY



### Sustainable Waste Management

- Zero ICT waste<sup>2</sup> to landfill (2022 onwards)
- Take back schemes of mobile devices<sup>3</sup>:
  - Ratio (%) of mobile devices collected vs sold<sup>4</sup> 12% by 2024
  - Reach approx. 400,000 items of mobile devices (2022-2024)
- CPEs' take back schemes: retain sustainable management 2022 onwards



### Zeroplastic

- Retain single use plastic culture in major buildings



### Sustainable Packaging

- Own branded newly launched CPEs (by mid 2022)
- 3rd Party devices in 2025



### Paper Reduction

- 25% paper reduction<sup>1</sup> (2020-2023)

## INCLUSION & EQUAL OPPORTUNITIES IN THE WORKPLACE

- At least 30% women at top and senior managers' positions by 2024<sup>5</sup>



## DIGITAL SOCIETY

- Impact ~15 mil. peoples' lives through digital inclusion initiatives by 2024 (from 2021)

# Sustainability & ESG Indices, Rankings and Ratings

The OTE Group responds to sustainability & ESG analysts' questions and assessments. OTE is included in several national and international sustainability/ESG indices, rankings and ratings.



OTE, since 2008, meets the requirements and is included in the FTSE4Good Index Series, which evaluates and monitors in detail listed companies in terms of their performance on Environmental, Social and Governance issues.



OTE has been upgraded to 'A' from 'BBB' in MSCI ESG Ratings assessment as of November 2022, according to its ESG performance. MSCI ESG Research provides in-depth research, ratings and analysis of the environmental, social and governance-related business practices of thousands of companies worldwide.



Since 2018, OTE has been awarded with the "Prime" status. This title is awarded to companies if the overall ESG Corporate Rating letter grade meets or exceeds the industry-specific (C+ for Telecommunications) defined by ISS ESG's Industry Classification Matrix.



Since 2010, OTE has been participating in the CDP on Climate Change by communicating the required information to its platform. In the 2022 evaluation, OTE received a 'B' (Management) score. Companies that score a B have addressed the environmental impacts of their business and ensure good environmental management.



As of January 2023, OTE has been included, for the fourth consecutive year, in the Bloomberg LP Gender-Equality Index (GEI). Bloomberg GEI tracks the performance of public companies committed to disclosing their efforts to support gender equality through policy development, representation, and transparency.

## ATHEX ESG Index

OTE is included in the ATHEX ESG Index, since July 2021. Initially, in 2021, 35 companies were included in the Index., which monitors the stock market performance of Athens Stock Exchange listed companies that adopt and promote ESG practices.



OTE Group Q1 2023 Results

# Financial Review



# Highlights

## GROUP

### Q1 '23

# -2%

REVENUES

# -1%

ADJ. EBITDA (AL)

- High Comparable base in Romania
- Solid Greek performance

## ADJ. EBITDA (AL) MARGIN AT 40.1%

## Free Cash Flow

# €226m

# +1.9%

# €425m

SHAREHOLDERS REMUNERATION FOR 2023

- €250m in Dividends.  
Proposed Dividend €0.5765/share, +3.3%
- €175m in Share Buy Backs

## GREECE

Solid start to the year



# +1.6%

ADJ. EBITDA (AL)



# +43.3%

MARGIN



# +2.7%

MOBILE SERVICE REVENUES



FTTH subscribers  
+29k at 166k



FTTH network  
911k homes passed

## ROMANIA MOBILE

# €69.0m

REVENUES

# €3.5m

ADJ. EBITDA (AL)

# Group Overview

Q1 2023

**€804m**

REVENUES (YOY -2.0%)

**€226m**

FCF (YOY +1.9%)

**€322m**

ADJ. EBITDA (AL) (YOY -1.0%)

**€5.8b**

MARKET CAP  
AS OF 31 MARCH 2023

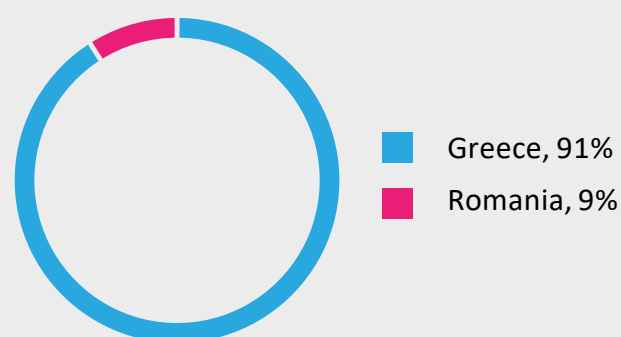
**€79.9m**

ADJ. CAPEX (YOY -14.1%)

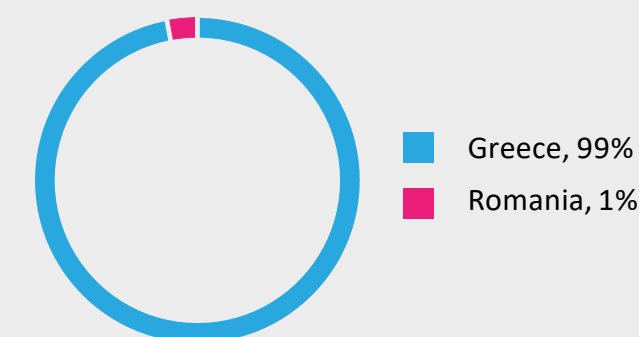
OTE Group is the largest telecommunications provider in the Greek market with presence also in Romania. OTE is among the largest listed companies in the Athens Stock Exchange.



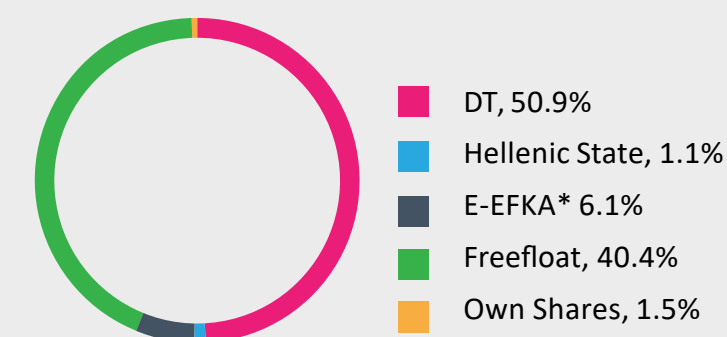
REVENUES



ADJ. EBITDA (AL)



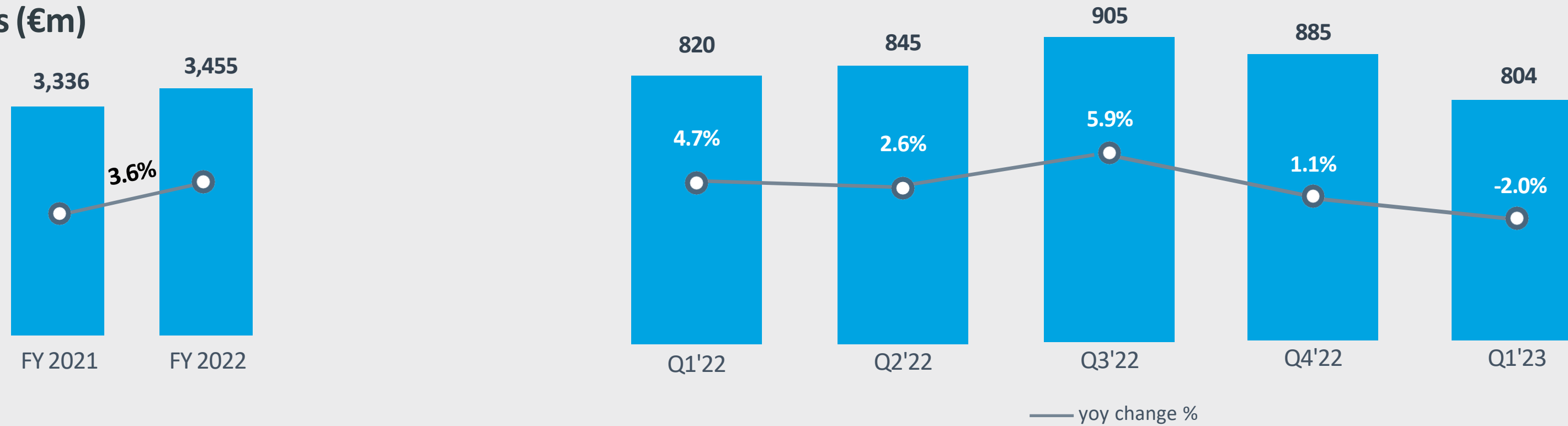
SHAREHOLDERS



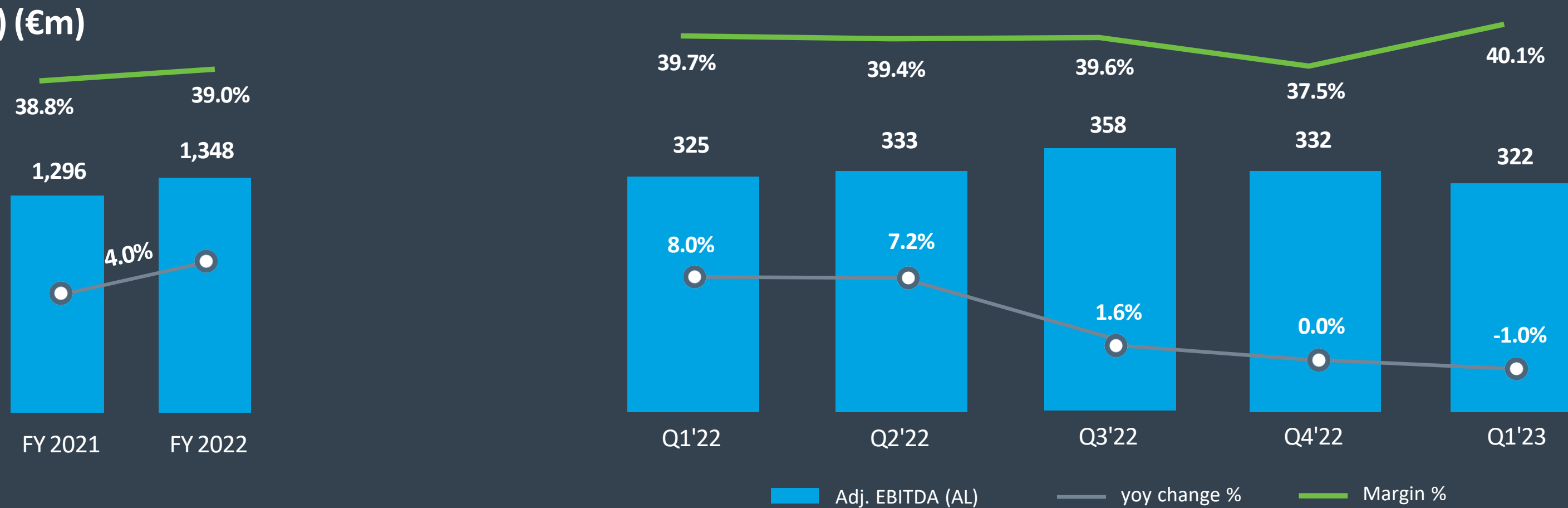
\*The stake of e-E.F.K.A includes 19,606,015 shares transferred by Hellenic Republic in 2009

# Revenues & Adj. EBITDA (AL)

Total Revenues (€m)



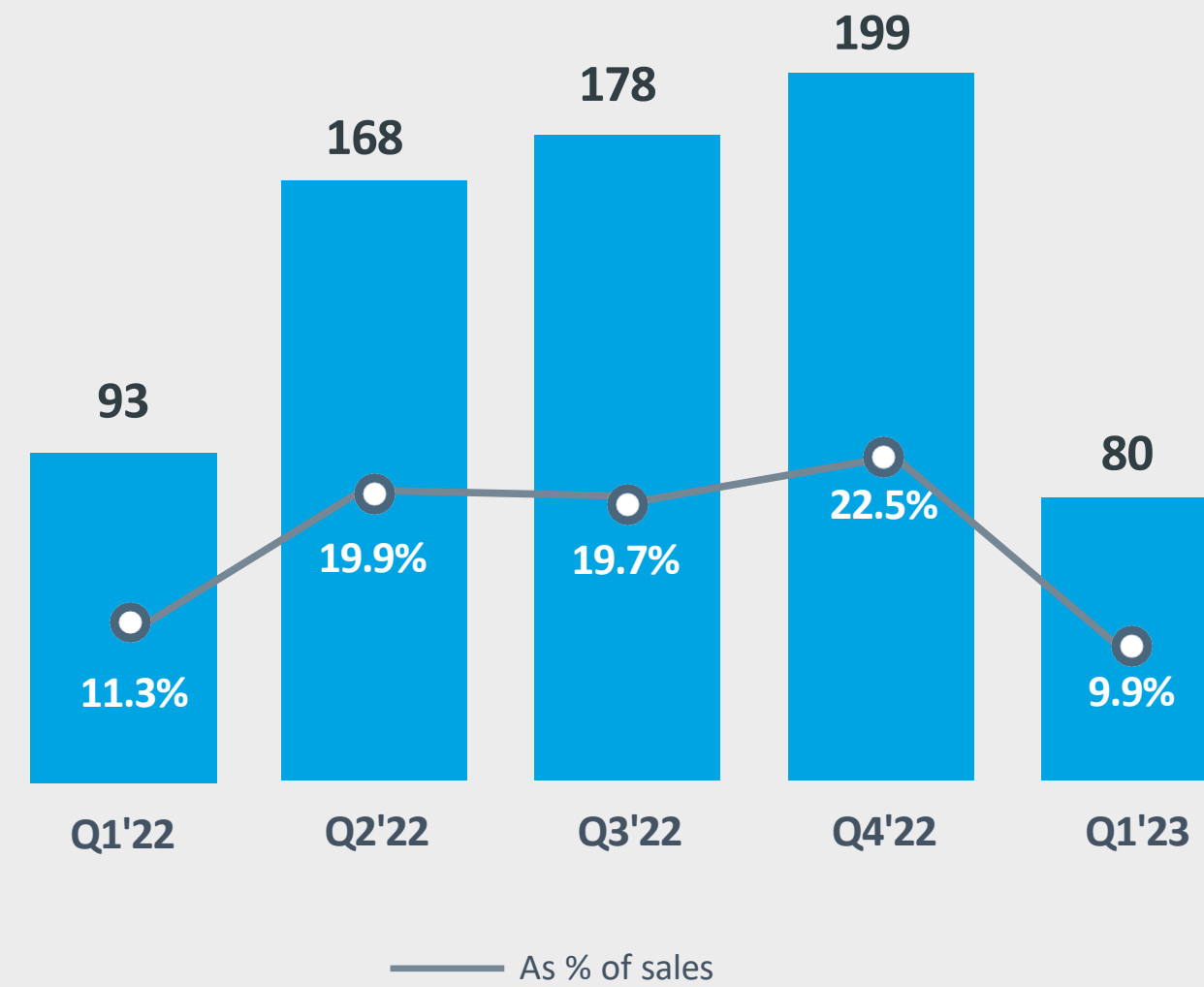
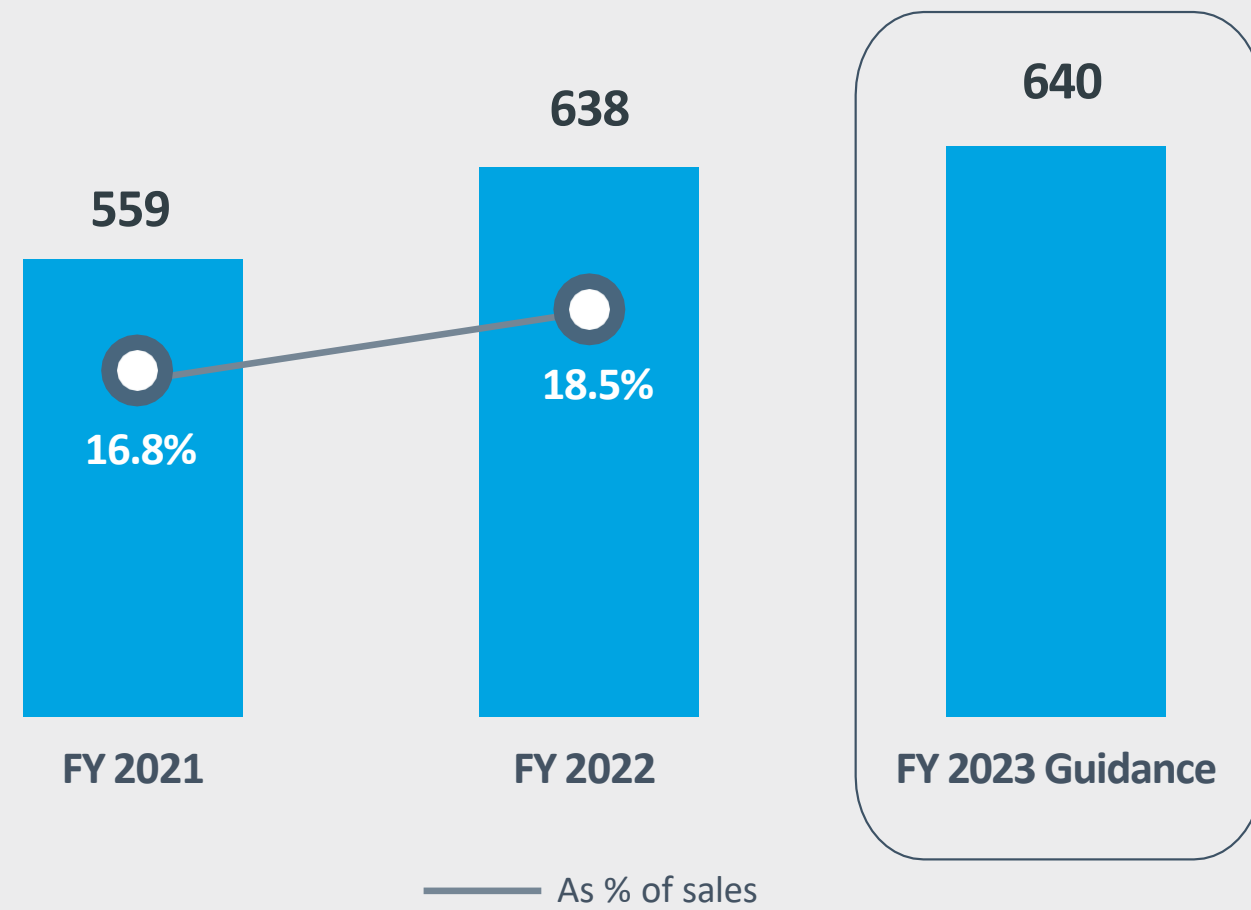
Adj. EBITDA (AL) (€m)



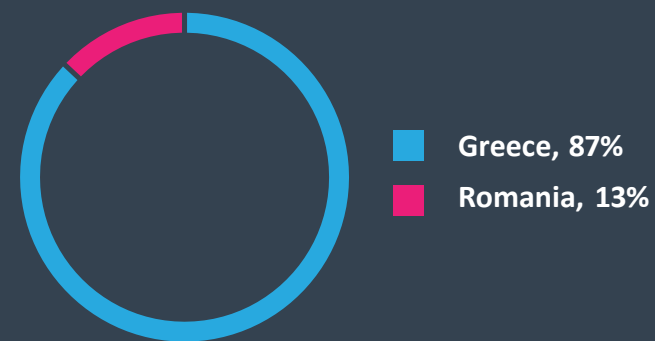
Adj. EBITDA (AL)    yoy change %    Margin %

# Capex

## Adjusted Capex (€m)



## Per Country (€m)



### Q1 2023

**€70m**

GREECE

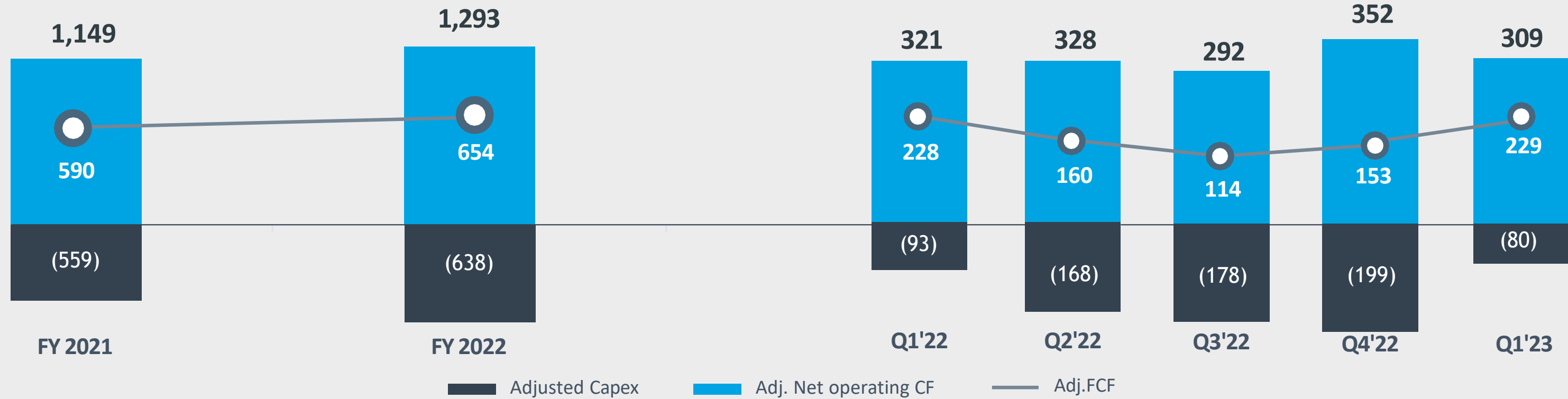
**€10m**

ROMANIA

- FTTH footprint at 941k households and businesses as of March 31, 2023
- FTTH: c.1.4 million homes and businesses by end of 2023
- FTTH: 3 million homes and businesses by end of 2027
- 4G coverage at 99%
- 5G population coverage:
  - 90% 2023 Target

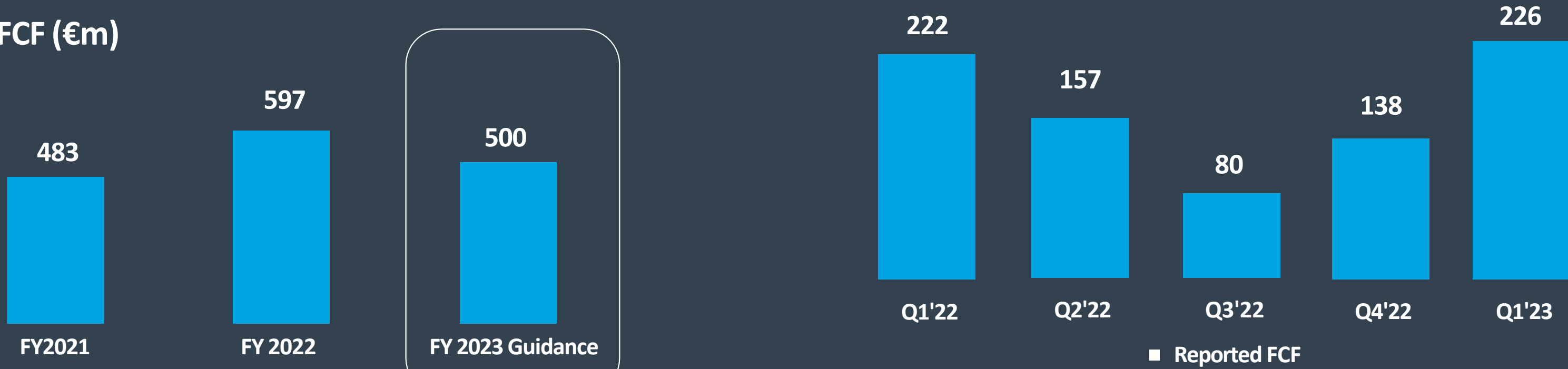
# Cashflow

## Adjusted FCF (€mn)



Q1'23: +0.4% yoy

## Reported FCF (€m)



Q1'23: +1.9% yoy

# Shareholder Remuneration Policy

## Dividend per Share (€)



Total Shareholders Payout for 2023:

**€425m**

SBB

**€175m**

DIVIDENDS

**€250m**

## Shareholder Remuneration Policy

**70%-100%**

FCF Distribution through a combination of dividends and share buybacks

**€425m**

€250m Dividends; €0.577 Dividend/share paid on July 11, 2023  
€175m in Share Buybacks

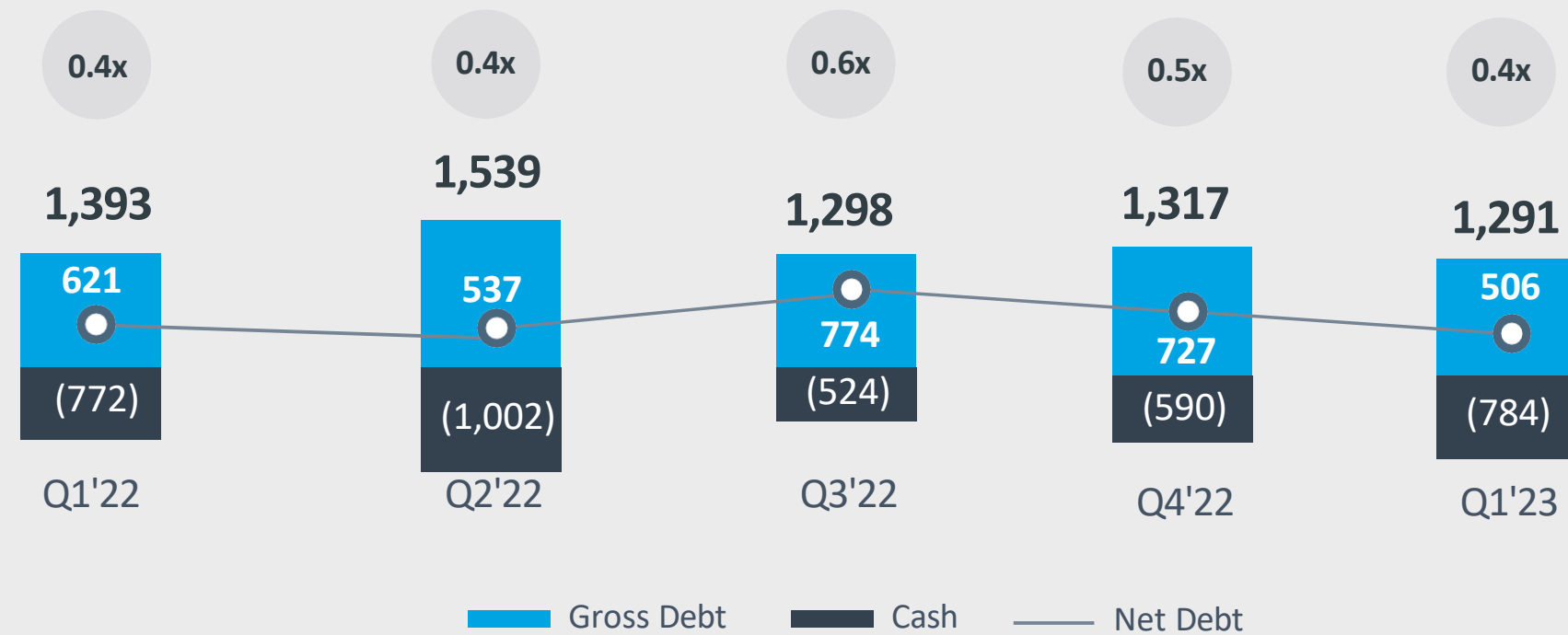
**6,275,082**

Own Shares as of March 31, 2023

**433,664,596**

Total number of shares

# Debt and Liquidity Profile

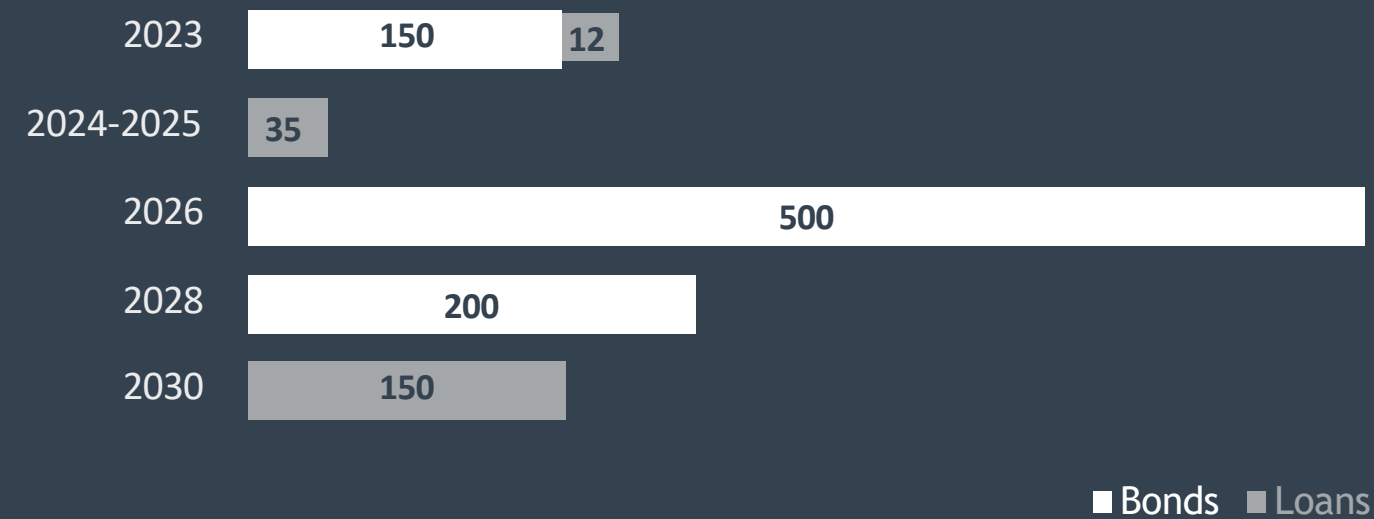


**Net Debt/EBITDA**

Net Debt stood at **€506m**

Net Debt/EBITDA (AL) stood at **0.4x**

## Debt Maturity Profile (€m) (Nominal amounts)



## S&P upgraded OTE to “BBB” with positive outlook

### Bonds

**€150m**

2023 Bond (June)  
0.666%

**€500m**

2026 Bond (Sep)  
0.875%

**€200m**

2028 Bond (May)  
0.627%

### Loans

**€47m**

EIB / COSMOTE

**€150m**

EBRD LOAN (2030 Jul)  
1.561%



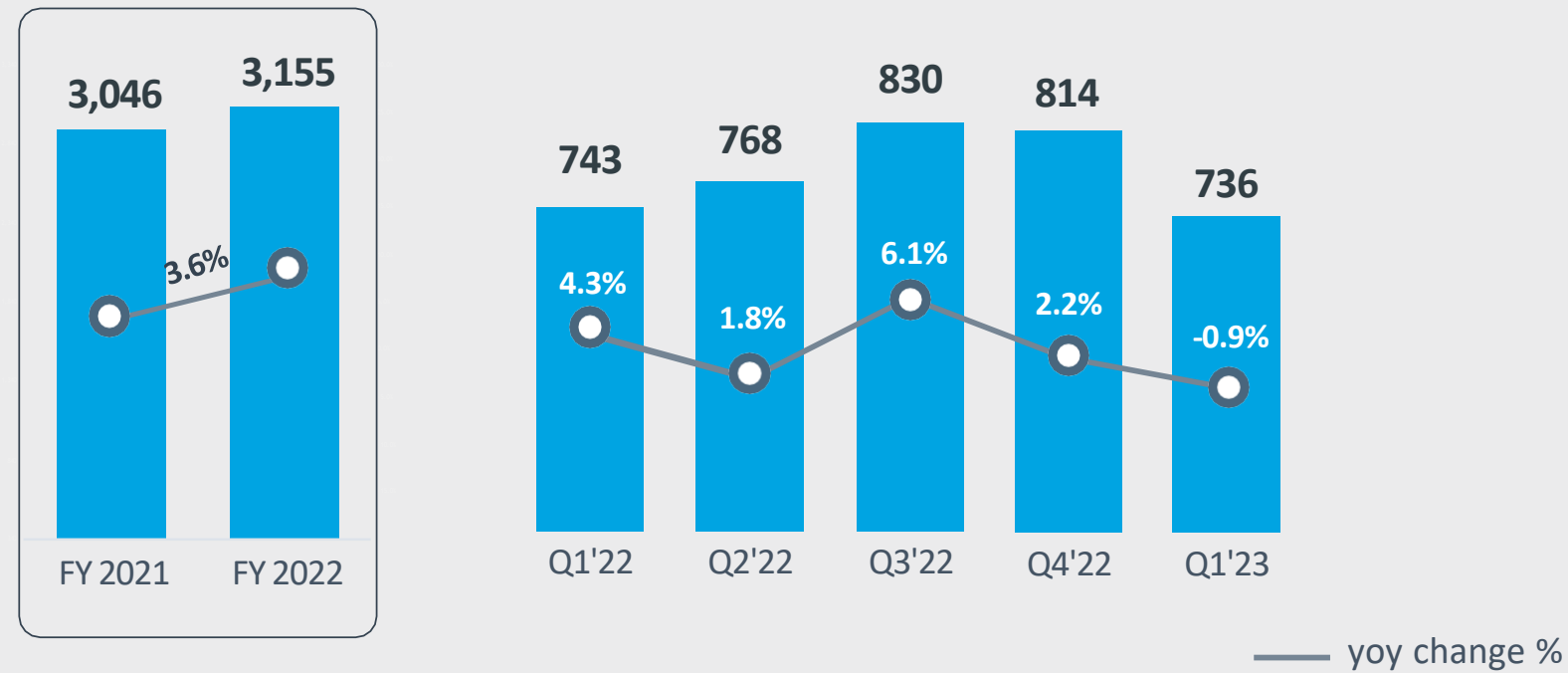
OTE Group Q1 2023 Results

**Greece**

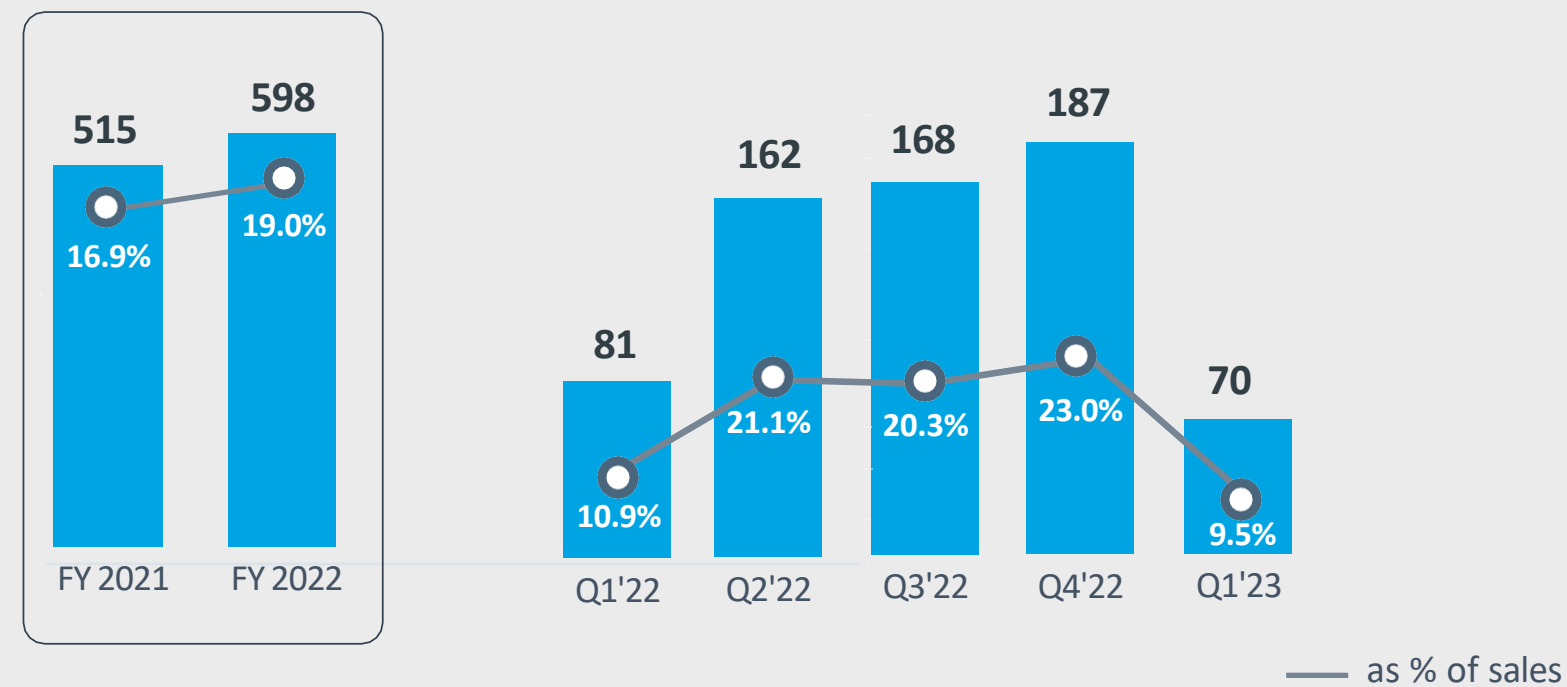


# Greece – Financial Overview

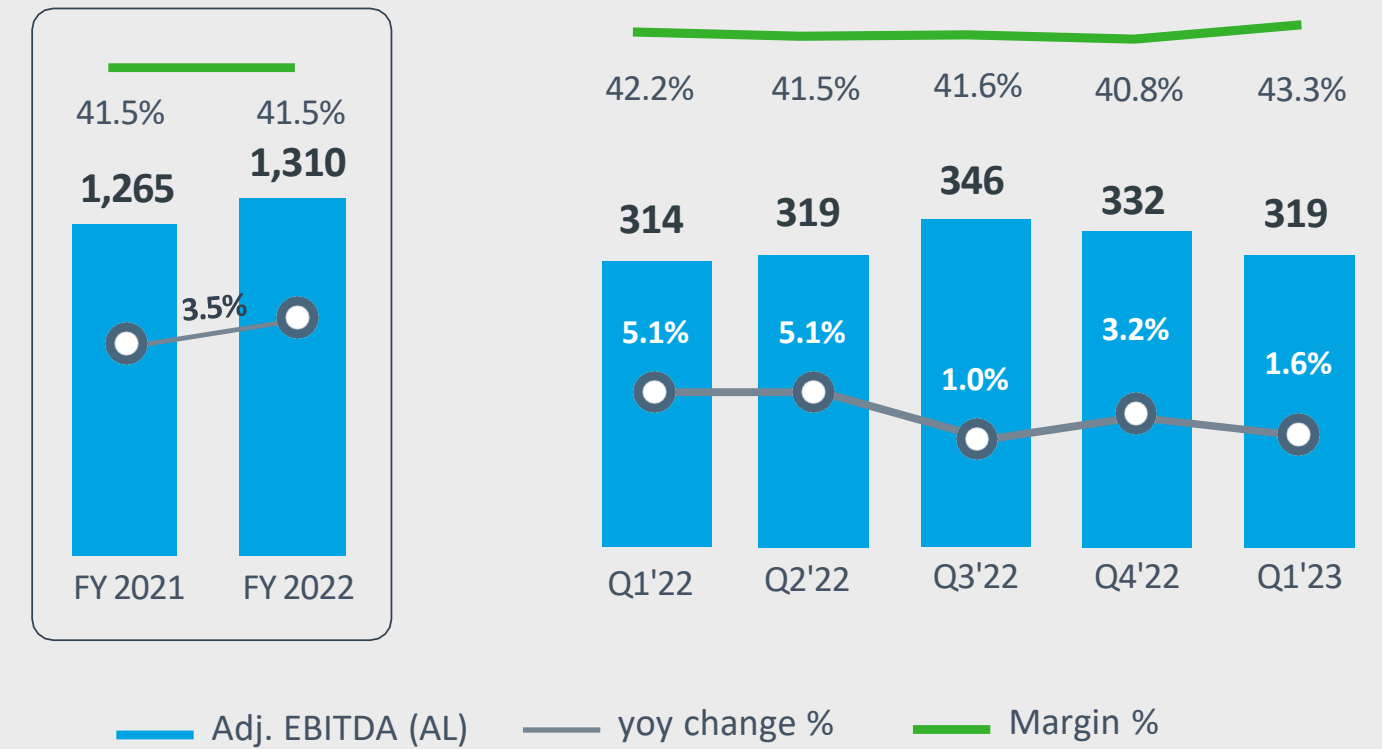
## Total Revenues (€m)



## Adjusted Capex (€m)



## Adj. EBITDA (AL) (€m)

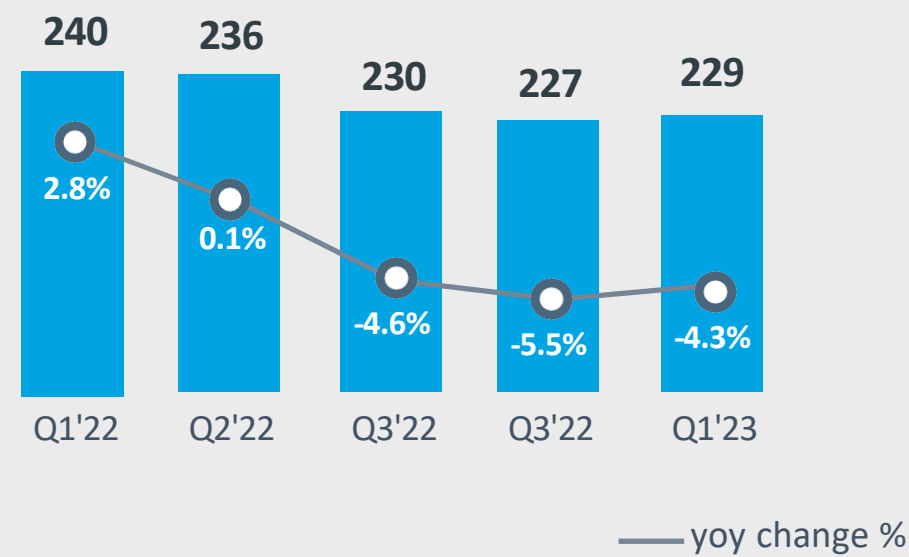
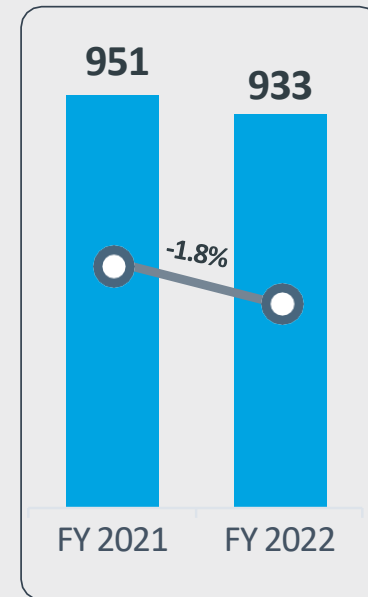


Revenues down 0.9% on lower wholesale and fixed retail

Adj. EBITDA (AL) up 1.6%; yielding a strong margin of 43.3%

# Greece – Financial Overview

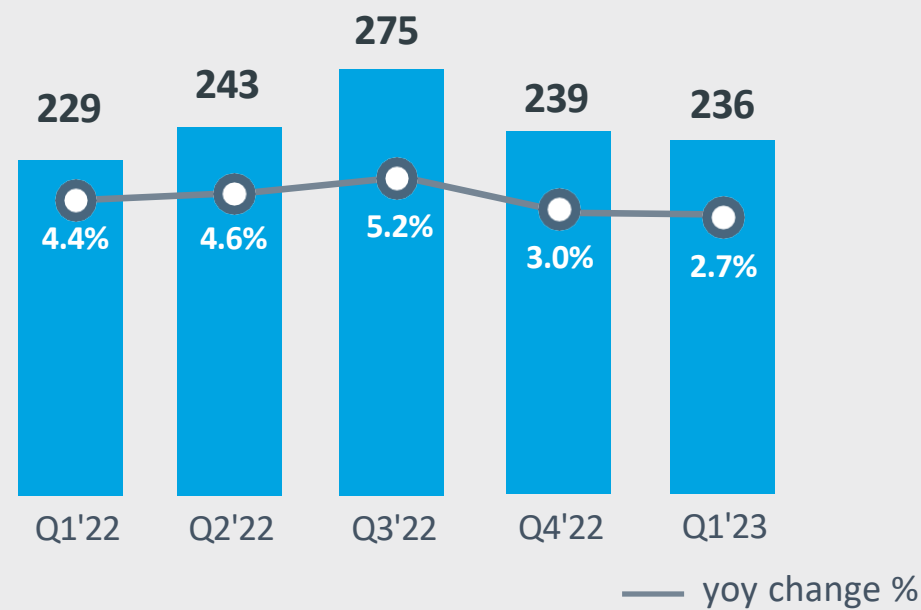
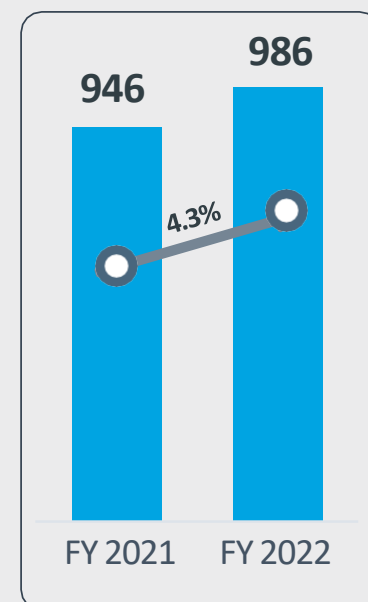
## Retail Fixed Revenues (€m)



### Retail fixed service revenues decreased by 4.3%:

- Lower voice and TV revenues
- Broadband growth affected by speed upgrades implemented in 2022 and competitive offerings, expanding customer base

## Mobile Service Revenues (€m)

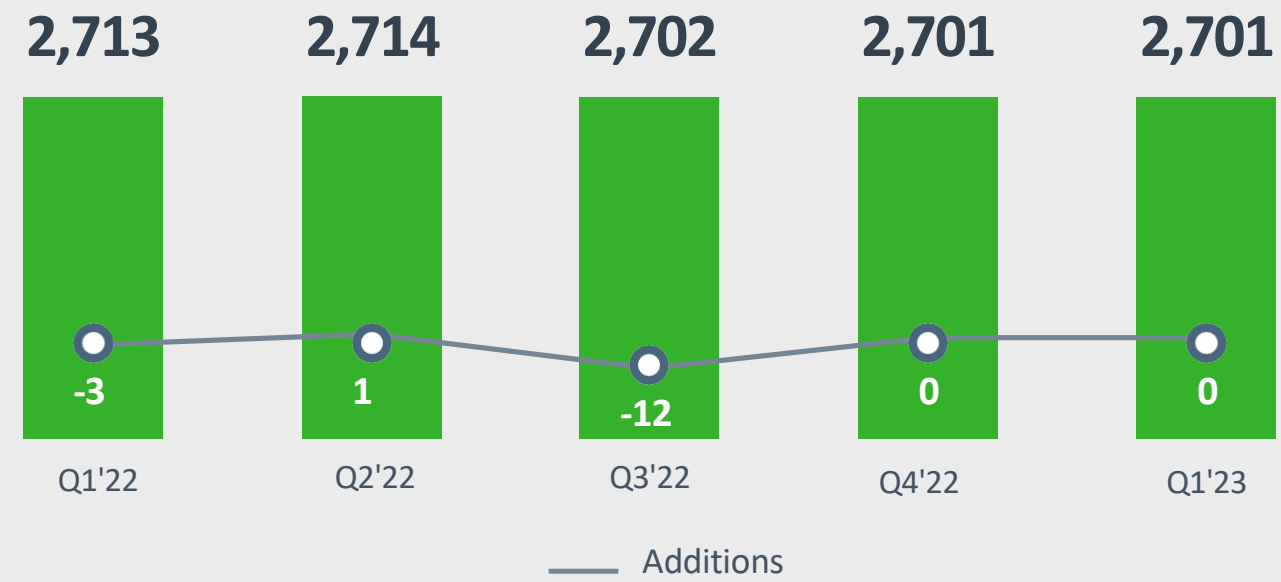


### Mobile Service revenues up 2.7%:

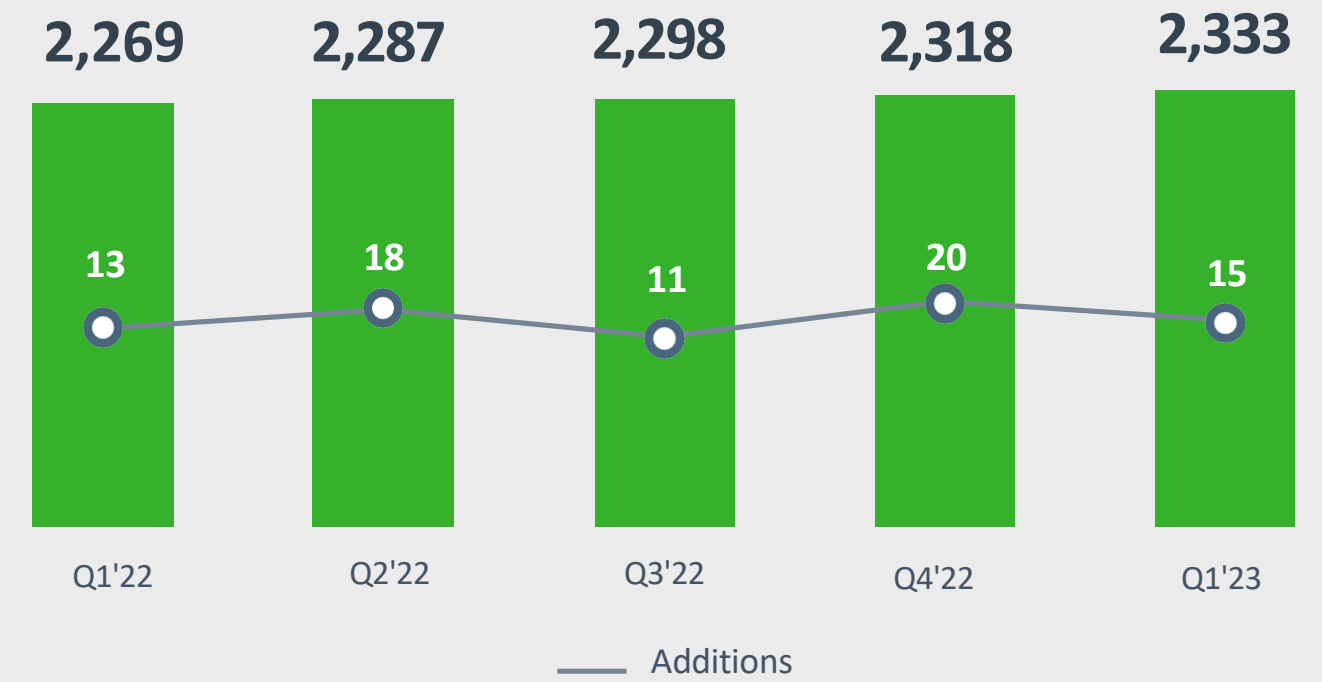
- Both Postpaid and Prepaid segment were up
- Ongoing execution of more for more strategy and pricing initiatives
- Ongoing efforts to shift customers to higher-value services

# Greece – Fixed & Broadband KPIs

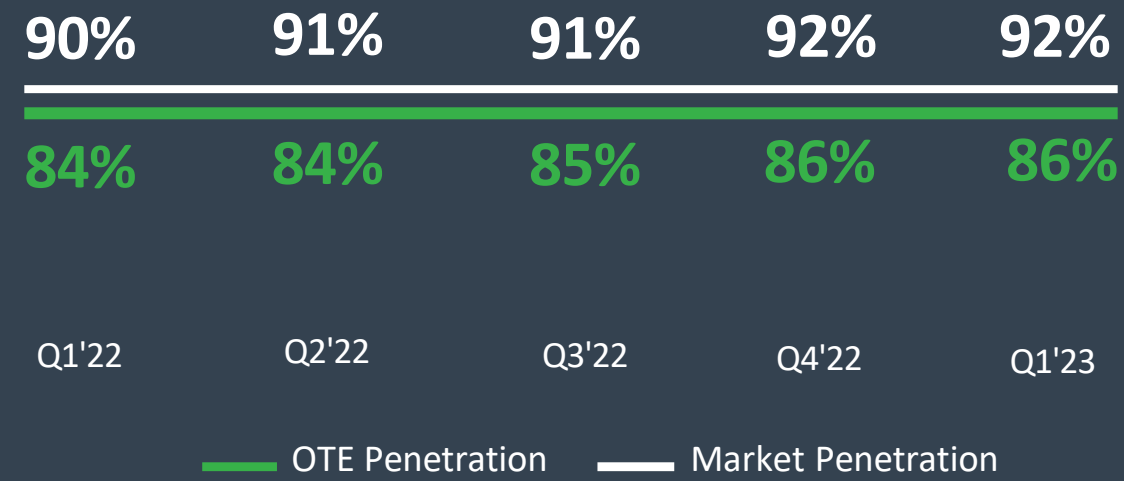
OTE Fixed Lines Evolution (000)



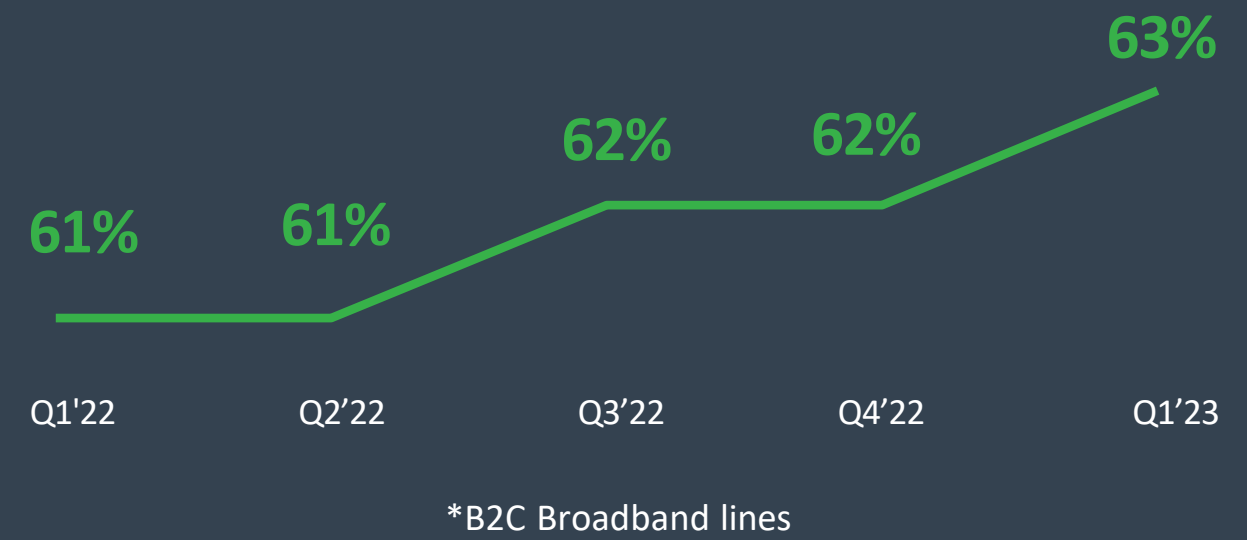
OTE Broadband lines Evolution (000)



OTE BB Penetration on Fixed



FMC B2C\* Penetration (000)

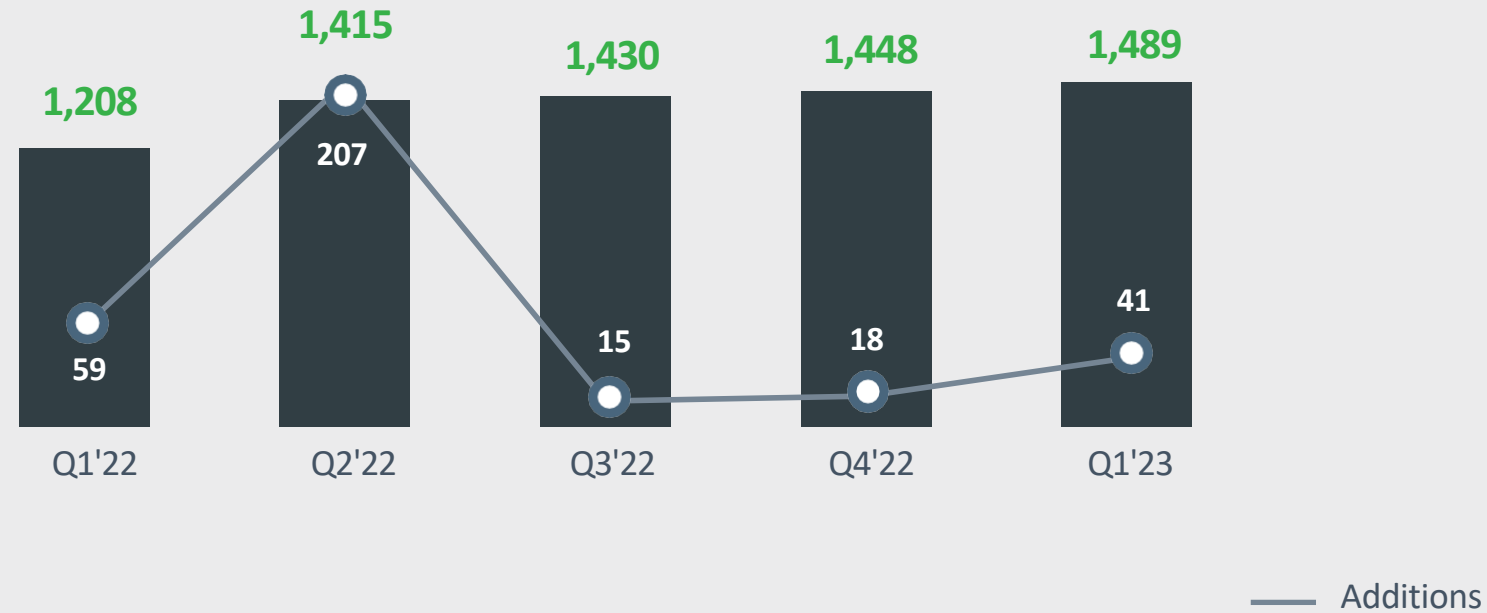


\*B2C Broadband lines

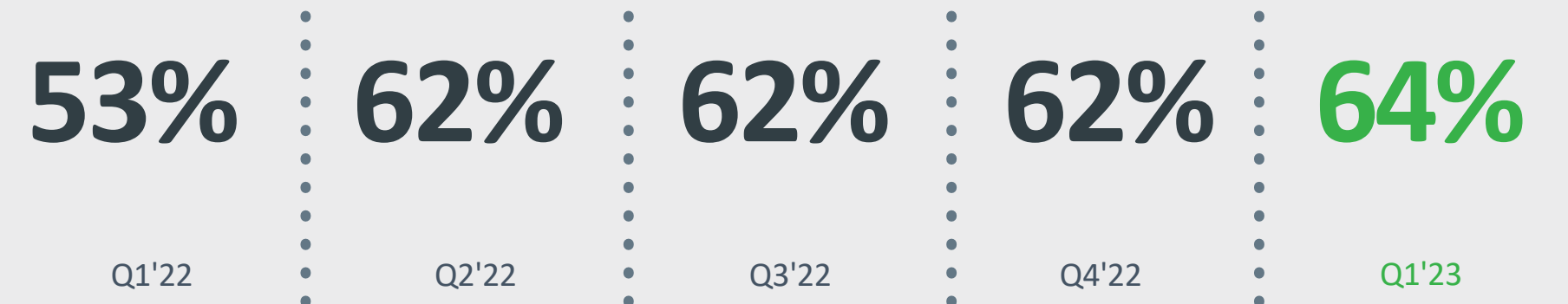
# Greece – Fiber KPIs

### Fiber Subscribers (000)

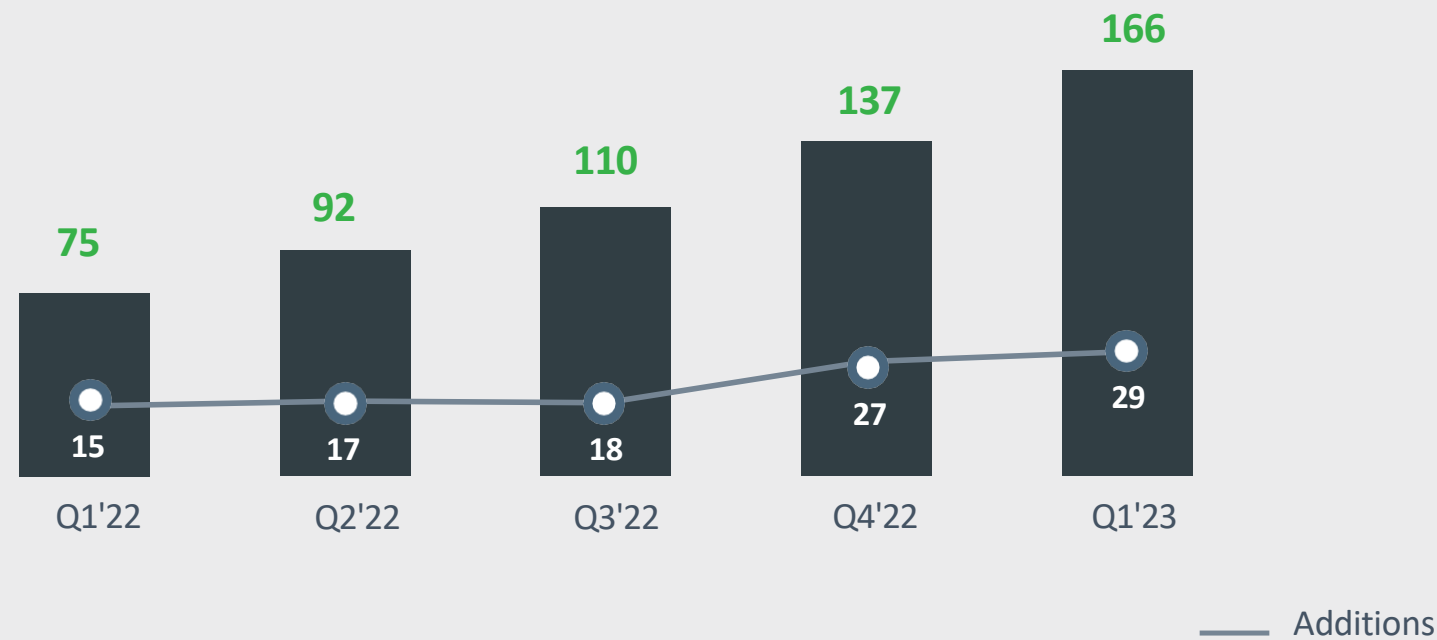
45% of subs on 100Mbps or more



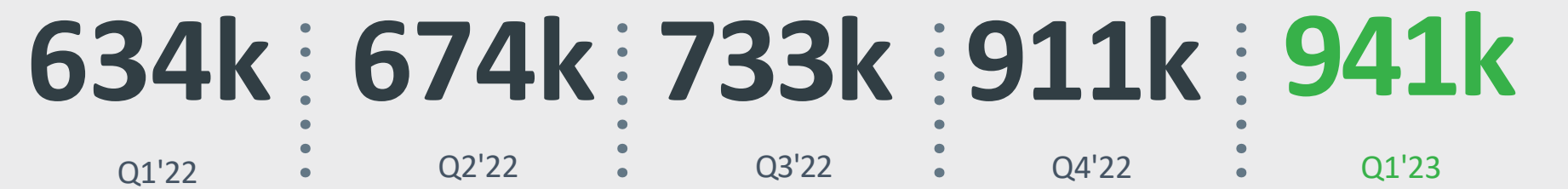
### Fiber Penetration (on Broadband)



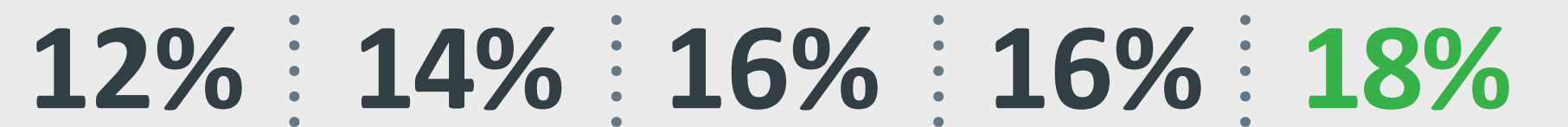
### FTTH Retail Subscribers (000)



### FTTH Homes Passed

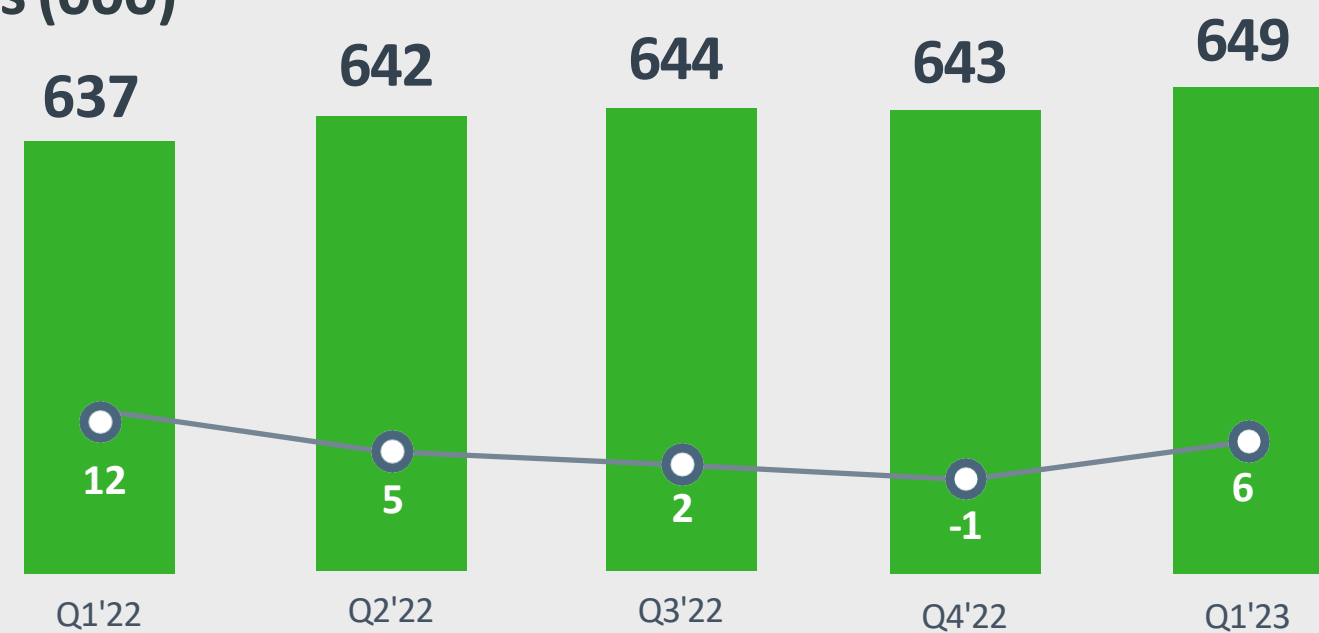


### Utilization on homes passed by OTE's infrastructure



# Greece – COSMOTE TV

## TV Subscribers (000)



— TV net additions

Q1'23: +1.9% yoy

- UEFA Champions League and Europa League TV rights renewed for 2021-2024
- 8/14 Greek Superleague football teams
- Agreement for the broadcasting rights of the leading football team of the Greek league, Olympiakos, for three years
- Renewal of Greek Football Cup broadcasting rights
- Italian Lega Serie A rights up to 2023-2024 period

## TV Market

Exclusive premium content through PayTV offerings

Despite low penetration levels – TV market segment shows signs of maturity

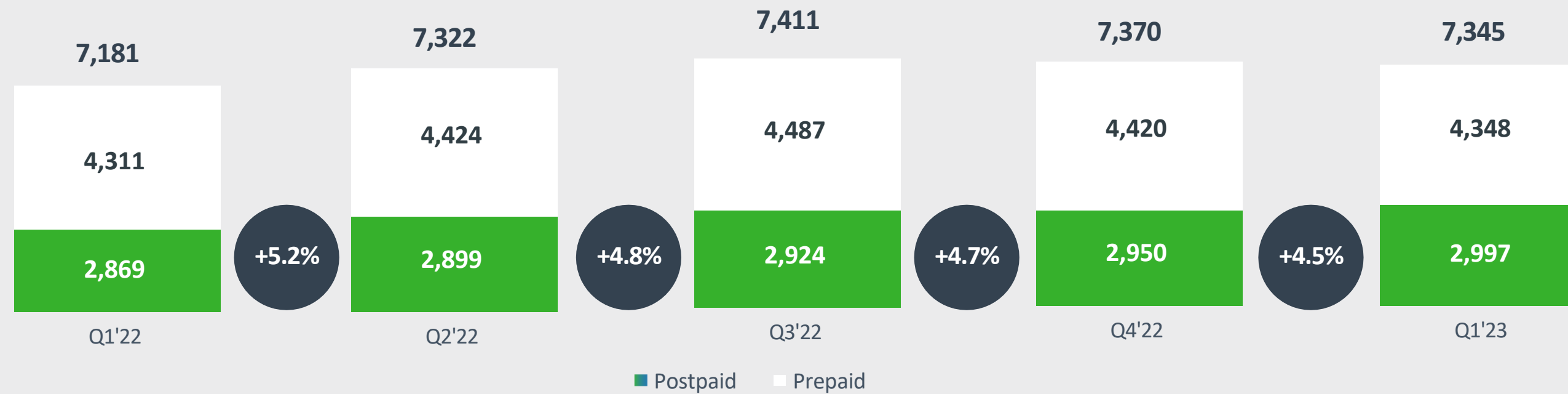
OTT players gain traction

Pay TV Penetration Q1' 23

c.29%

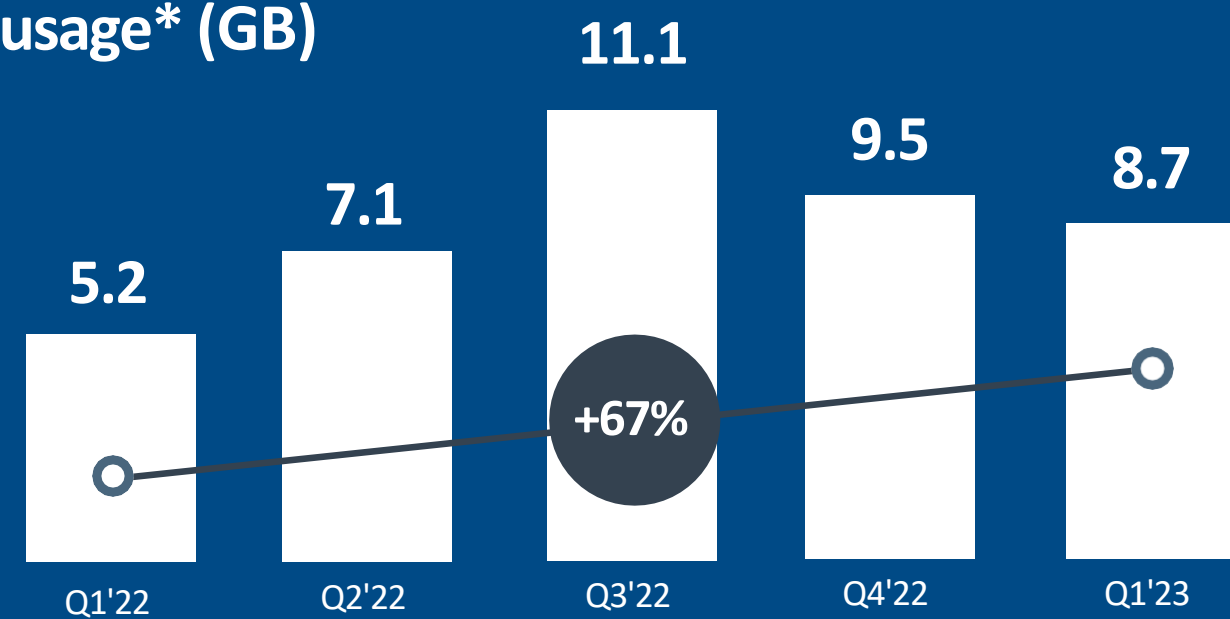
# Greece – Mobile KPIs

## Total Subscribers (000)



Q1'23: Post Paid +4.5% yoy

## Avg.Data usage\* (GB)



Q1'23: +67% yoy

Another positive quarter for postpaid segment, up +4.5%

+76% in Data Traffic of Handset Internet

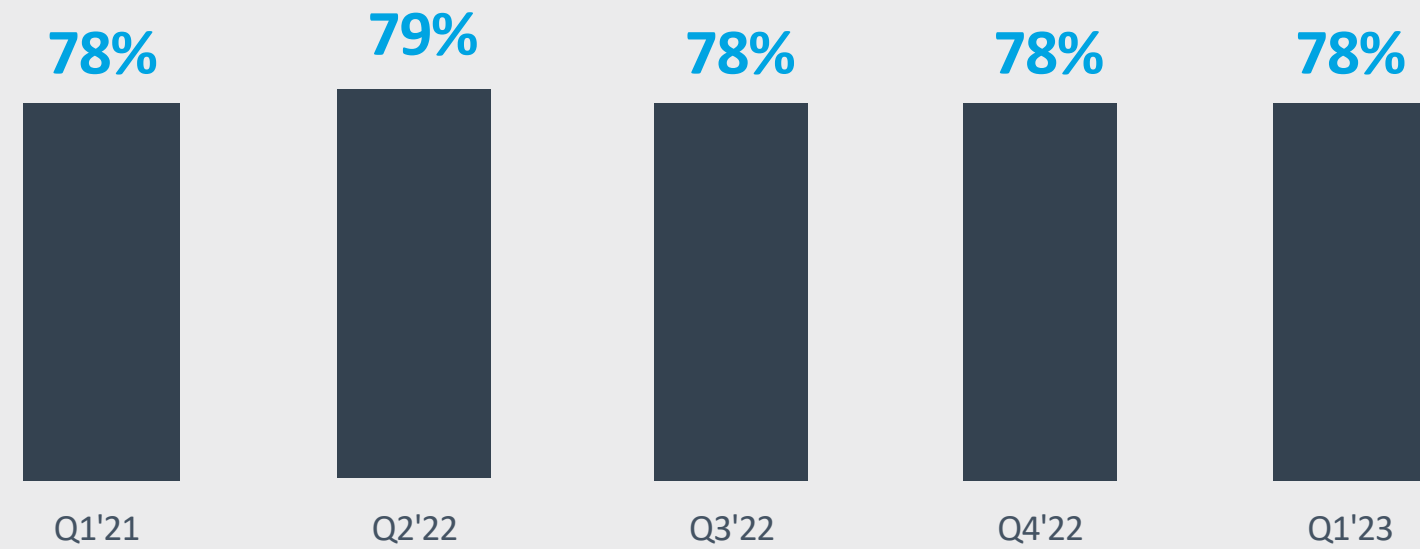
“COSMOTE Neo” the first fully digital mobile in Greece

Average data usage up +67% at 8.7 GB per subscriber

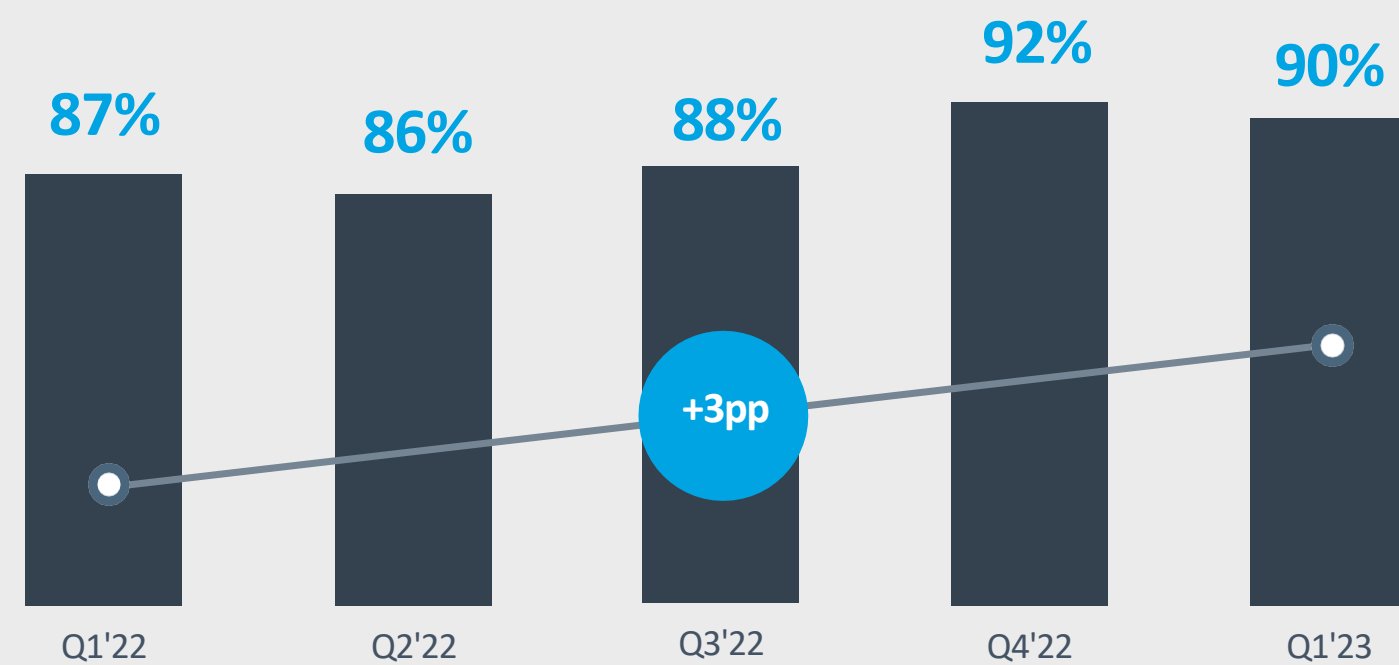
\*Handsets Internet Data Usage/GB of use per HI subscriber

# Greece – Digitalization

Smartphone penetration (%)



COSMOTE Apps Active users penetration\* (%)



\*Penetration as % of Smartphone users

**COSMOTE app users at 3.7 million by end of the quarter - the major digital contact point with the customer.**

Mobile data bundle subscription renewal, bill payment, and ordering functionality for additional OTE services

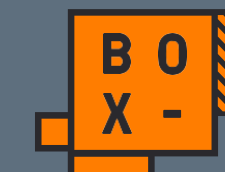
Remote Wi-Fi router management, parental control features and management of short-digit premium value-added services

“COSMOTE Neo”, the first fully digital mobile

**The push towards digitalization is driving a new wave of transformation and increasing operational efficiencies**



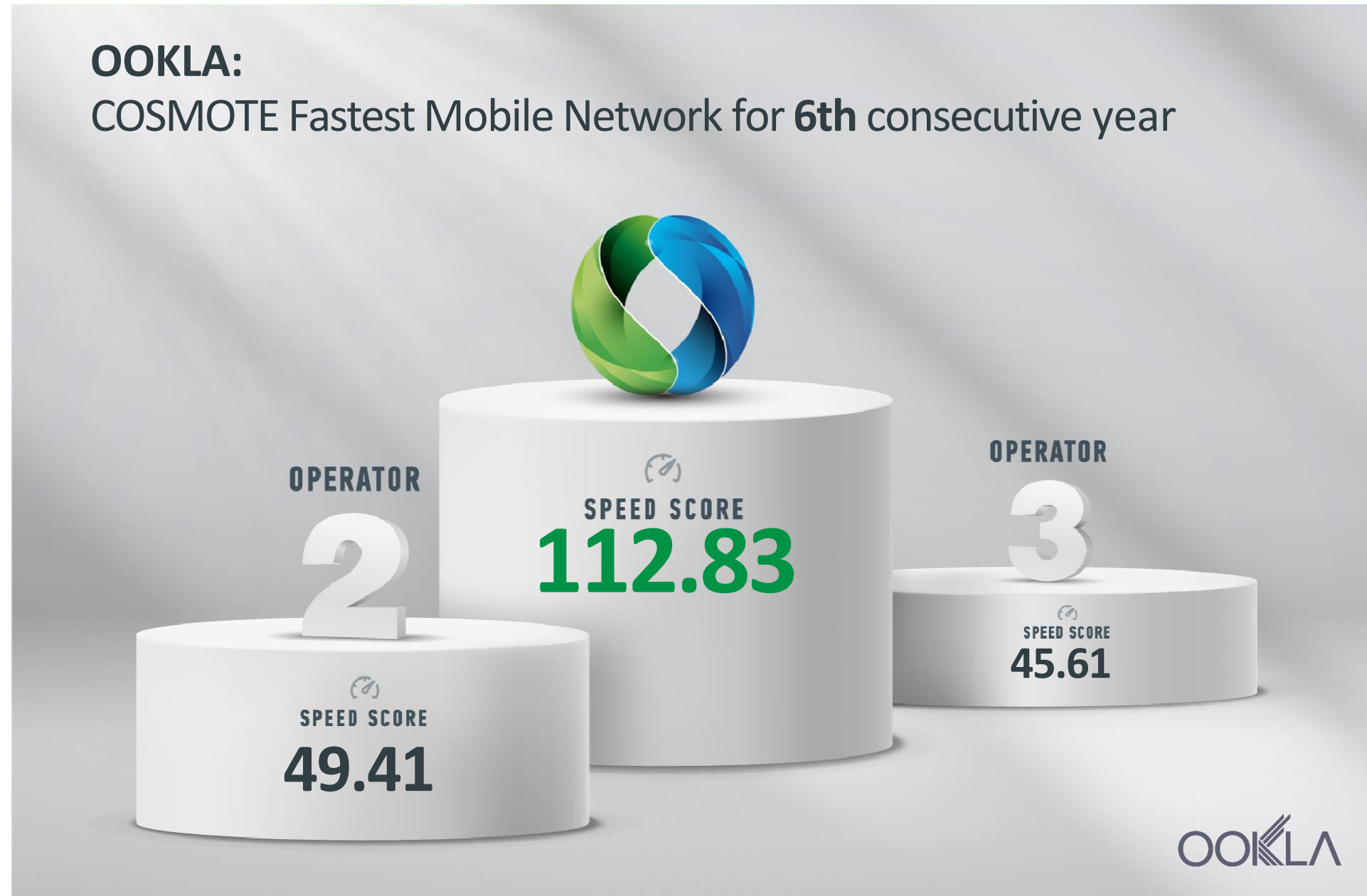
“Payzy”, e-payment and transaction solutions via mobile



“BOX”, food delivery platform

# Mobile Network Superiority in Greece

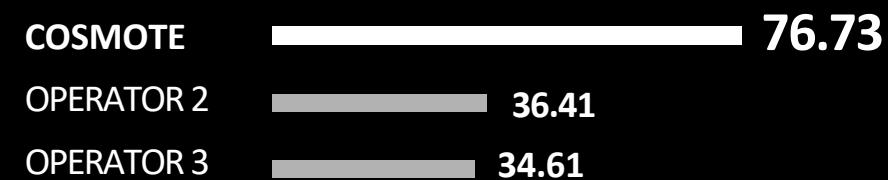
**OOKLA:**  
COSMOTE Fastest Mobile Network for **6th** consecutive year



**P3 Best in Test** certification, for **8th** consecutive time, for its mobile internet and voice services in Greece



### AVERAGE DOWNLOAD SPEED (MBPS)



### AVERAGE UPLOAD SPEED (MBPS)



### AVERAGE LATENCY (MS)





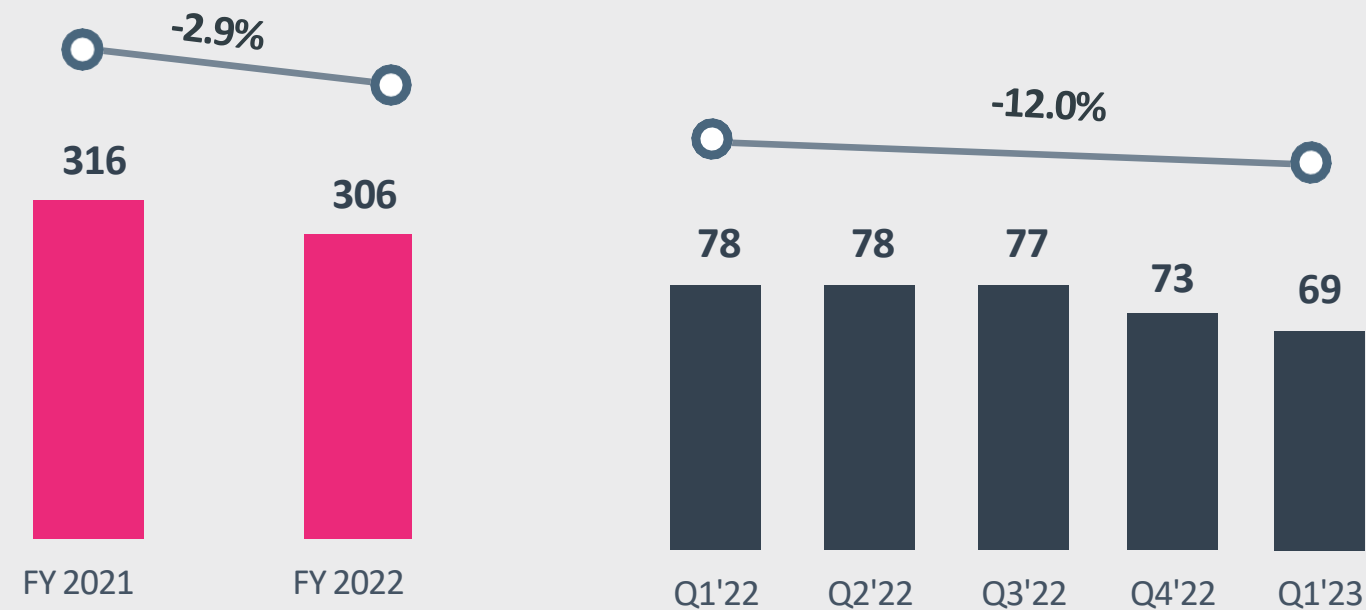


OTE Group Q12023 Results

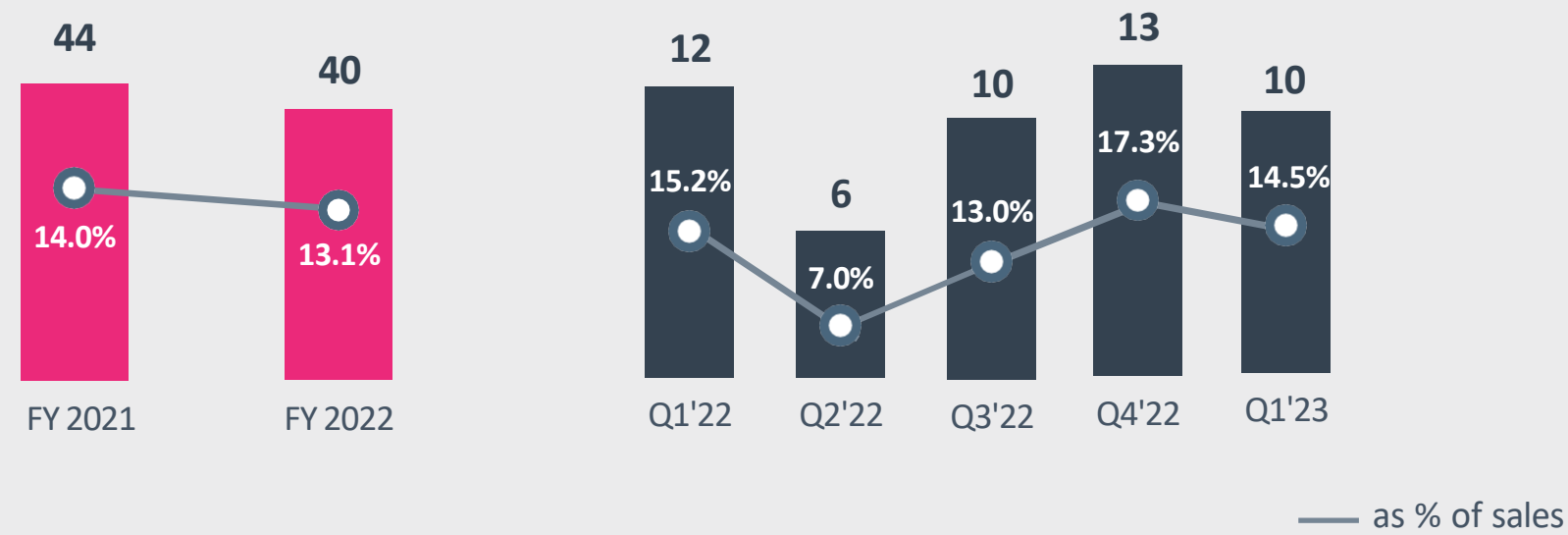
**Romania Mobile**

# Romania – Financial Overview

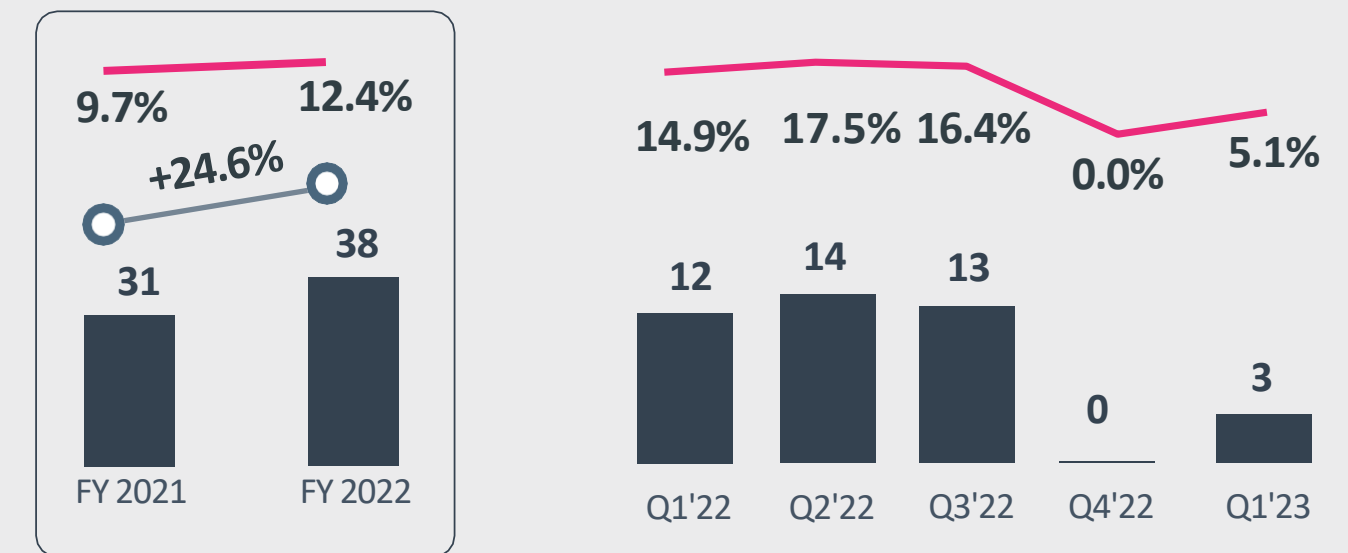
## Total Revenues (€m)



## Adjusted Capex (€m)



## Adj. EBITDA (AL) (€m)



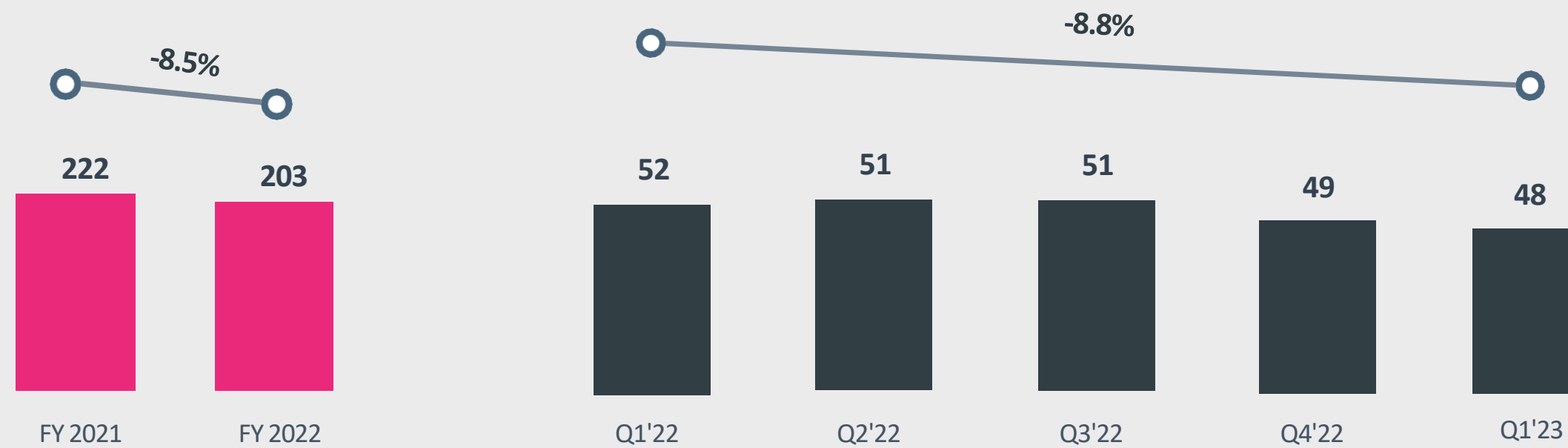
— Adj. EBITDA (AL) — yoy change % — Margin %

Revenues down 12.0% on positive contribution of MVNO services in 2022 and ongoing impact of MTR cuts

Adj. EBITDA (AL) at €3.5m reflecting the MVNO impact and higher energy costs driven by the government's decision to remove cap on energy prices

# Romania – Financial Overview

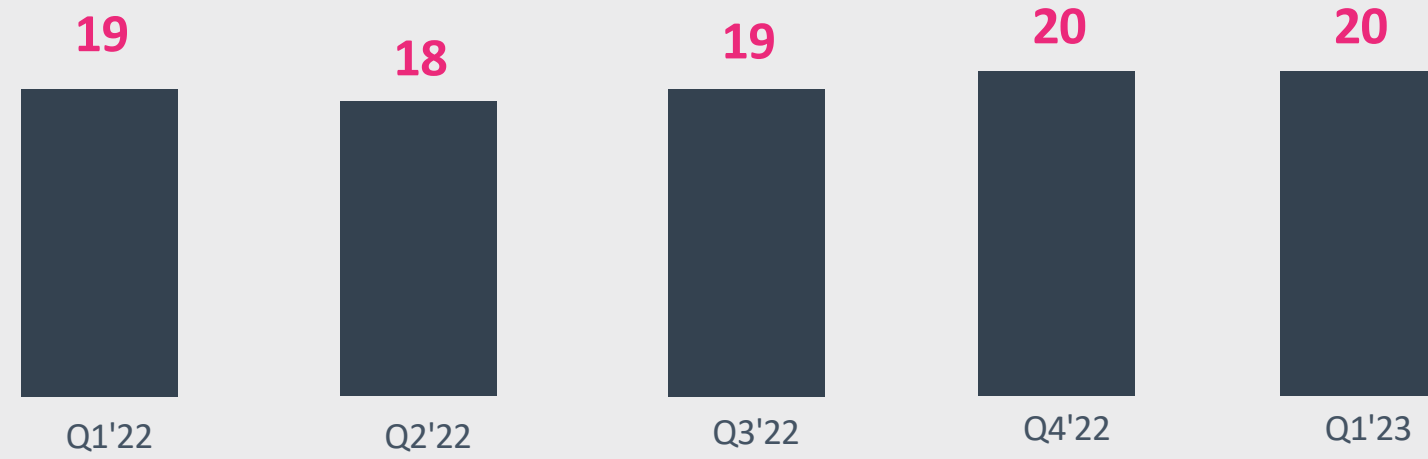
## Mobile Service Revenues (€mn)



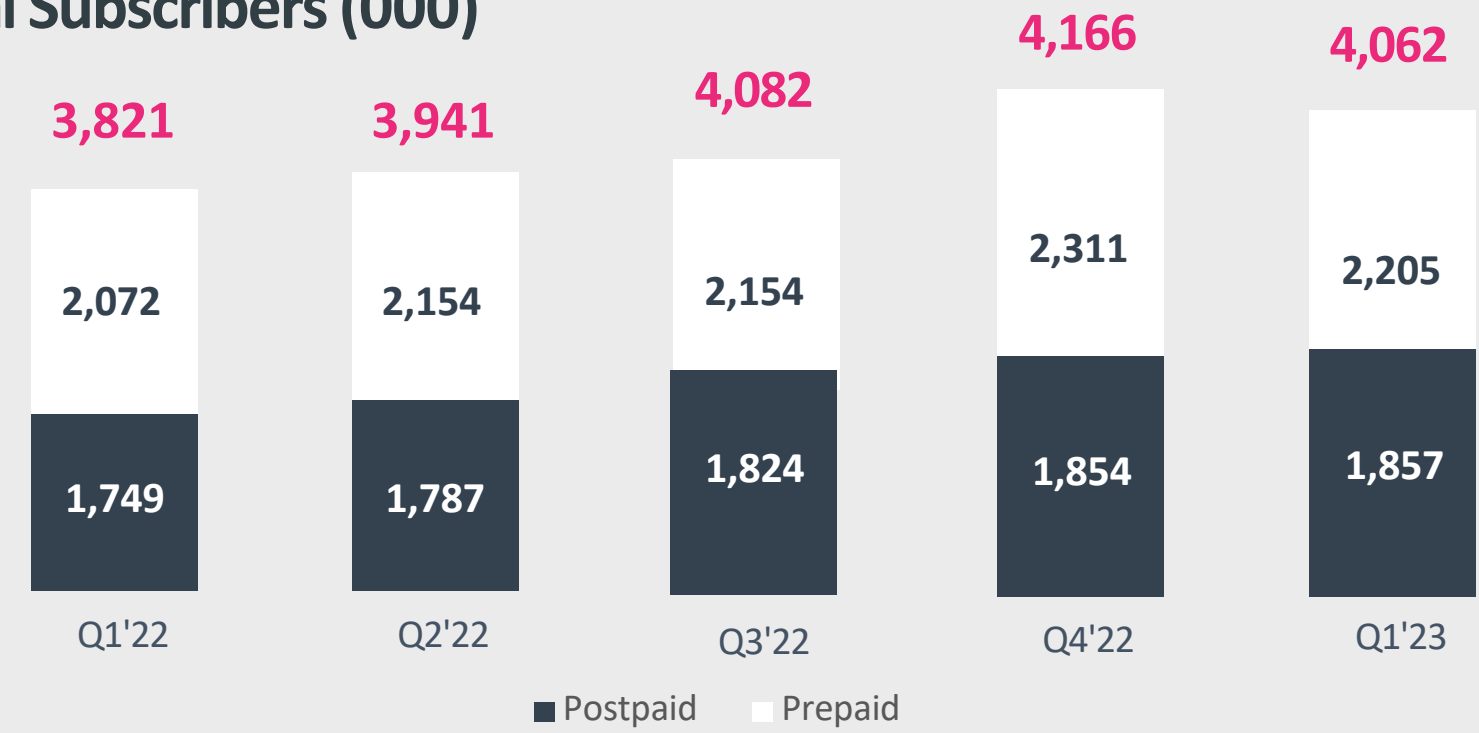
Mobile Service revenues were down 8.8%, partially due to the impact of mobile termination rate (MTR)  
 Postpaid subscriber base posted further growth; +6.2% and +6.4% increase in the prepaid base

# Romania – Mobile KPIs

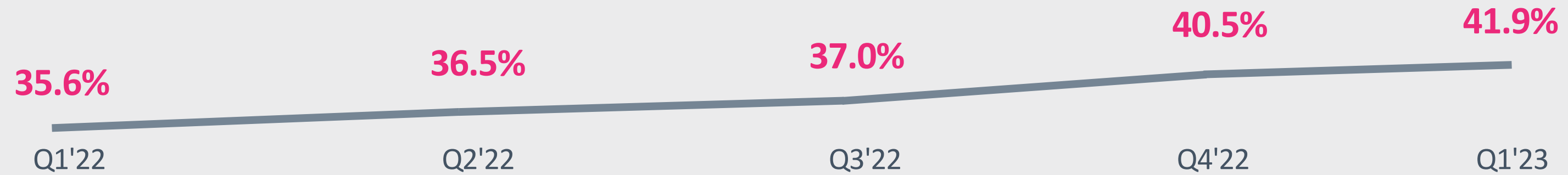
Data Revenues (€m)



Total Subscribers (000)



Data Revenues as % of Service Revenues



# Thank you.



GROUP OF COMPANIES

Member of  Group