

## 12M 2017 Financial Results

Apr 25, 2018

### Highlights

- **Total (normalized) revenues stood at 297.5 million euro and EBITDA at 40.2 million euro.**
- **The company serves 689k unique households. Broadband subscribers at 562k and Pay TV subscribers at 417k.**
- **Increased taxation (10% and 5% on revenue for Pay TV and fixed telecom respectively) and Super League's underperformance decreased demand.**
- **Total Business revenue increased by 4.5% while Advertising revenue increased by 13.9%.**
- **The company proceeded with the early termination of the Collective Management Rights Agreement for the 2018/2019 season and is signing bilateral agreements with Super League Clubs.**
- **The Company enhanced further its strategic position in Pay TV market by signing non-exclusive distribution agreements of Novasports channels to Vodafone and WIND.**

	<b>12M 2017</b>	<b>12M 2016</b>	<b>Δ</b>
Total Subscriptions	979,120	1,021,143	-4.1%
Unique Households	689,234	719,591	-4.2%
Households with 3play/Bundled Services	289,886	301,552	-3.9%
Broadband subscribers	562,361	581,739	-3.3%
Pay TV Customers in Greece	416,759	439,404	-5.2%

<i>(.000€)</i>	<b>12M 2017</b>	<b>12M 2016</b>	<b>Δ</b>
Revenue (including other income)	297,062	324,710	-8.5%
Revenue (normalized)	297,504	325,115	-8.5%
EBITDA	40,217	54,836	-26.7%

According to **CEO, Mr. Panos Papadopoulos:**

«The continuing recession coupled with the imposition the 10% tax on Pay-TV and 5% on fixed line services as well as Super League's, commercial underperformance had a negative impact not only on our financials but also on the sector as a whole. Under these circumstances the firm continues to implement a conservative commercial policy and take actions to further improve its cost base. For this reason, the company proceeded with the early termination of the Collective Management Rights Agreement with the Super League Clubs, while proceeded with the signing of bilateral agreements. Meanwhile, the company enhanced its strategic position in Pay TV market through the commercial agreement of non-exclusive distribution of Novasports channels to Vodafone and WIND».

## Operating Performance

### Bundling/3Play

At the end of December 2017, Forthnet served 290K households with Nova 3play/bundled services. The share of Nova 3Play subscriptions in Forthnet's customer base is over 42%.

	12M 2017	12M 2016	Δ
Households with 3play/Bundled Services	289,886	301,552	-3.9%
Households with 3play/Bundled Services as % of Total	42,1%	41,9%	0.2pp

### Telco

At the end of December 2017, LLU customers decreased to 548K

	12M 2017	12M 2016	Δ
Broadband subscribers <sup>1</sup>	562,361	581,739	-3.3%
Active LLU customers	547,691	565,051	-3.1%
Unbundling Ratio	97,4%	97,1%	0.3pp
LLU market share	25,9%	27,1%	-1.2pp

### Pay TV

At the end of 2017, the Pay TV subscriber base reached 417K customers.

<sup>1</sup> Active and pending activation subscribers

	<b>12M 2017</b>	<b>12M 2016</b>	<b>Δ</b>
Pay TV customers in Greece	416,759	439,404	-5.2%

## Financial Highlights

Consolidated normalized revenues for 2017 amounted to € 297.5 million, decreased compared to 2016, due to the decline in consumer spending and a conservative approach to our commercial policy. Revenue from advertising improved by 13.9% as a result of the continuously upgraded content of Nova's TV program. Revenue from Corporate customers increased by 4.5%.

<b>Revenue Analysis (€ '000)</b>	<b>12M 2017</b>	<b>12M 2016</b>	<b>Δ</b>
<b>Total Retail</b>	<b>215,613</b>	<b>248,422</b>	<b>-13.2%</b>
Telco Retail	116,032	131,003	-11.4%
Pay TV Retail	99,581	117,419	-15.2%
Total Business	55,843	53,451	4.5%
<b>Total Business (Normalized)<sup>2</sup></b>	<b>56,285</b>	<b>53,855</b>	<b>4.5%</b>
Telco Business	36,877	35,568	3.7%
Telco Business (Normalized) <sup>2</sup>	37,319	35,973	3.7%
Pay TV Business	18,966	17,882	6.1%
Advertising	8,173	7,179	13.9%
Other	17,433	15,659	11.3%
Total Revenue	297,062	324,710	-8.5%
<b>Revenue (normalized)<sup>2</sup></b>	<b>297,504</b>	<b>325,115</b>	<b>-8.5%</b>

EBITDA for 2017 amounted to €40.2 million, compared to €54.8 million in 2016, mainly driven from the ARPU decrease and the adverse economic climate.

<b>Ανάλυση EBITDA (€ '000)</b>	<b>12M 2017</b>	<b>12M 2016</b>	<b>Δ</b>
Revenue (including other income)	297,062	324,710	-8.5%
Revenue (normalized) <sup>2</sup>	297,504	325,115	-8.5%
EBITDA	40,217	54,836	-26.7%
EBITDA margin	13.5%	16.9%	-3.3pp

Total bank debt in Dec 2017 stood at €256m. <sup>(3)</sup>

<sup>2</sup>Normalization relates to a reclassification in revenue of amounts which, based on the accounting policy, are presented in expenses.

<sup>3</sup> Excluding the convertible bond loan

## Recent Business Developments

- In September 2017, the Company entered into commercial agreements with Vodafone and Wind for the broadcast of Novasports channels through their IPTV platforms and in parallel with its own Satellite and OTT platforms. The agreements confirm Nova's leading position in the Greek pay-TV market and allow Novasports channels to be available to even more Greek fans.
- In February 2018 the Company exercised its unilateral right for the early termination of the Super League Collective Management Rights Agreement for the 2018-19 season. The Company is proceeding with the signing of bilateral agreements with individual football clubs. The Company has already announced the acquisition of the rights of the following clubs for season 2018/2019: AEK, AEL, Asteras Tripolis, Levadiakos, Olympiakos, PAOK, Panionios and PAS Giannina.
- In March 2018, the Company in order to enhance its television content, entered into a partnership with MGM (Metro Goldwyn Mayer) and renewed its longstanding collaboration with the 21st Century Fox. The agreements with two of Hollywood's largest studios ensure exclusive access to award-winning feature films and popular TV series offered by Novacinema channels, Nova GO and Nova On Demand. At the same time, the sports content was enriched by broadcasting the football leagues of the Netherlands, Sweden as well as England's Championship. The rights of Wimbledon, of the most popular tennis tournaments, were also renewed for another three years.
- Nova On Demand content is continuously enriched and now provides thousands of hours of programming including movies, series, documentaries and children's content. Nova On Demand continues to increase both in the number of users and the average time spent on the service. At the same time, Nova GO service is continuously upgraded. Since March 2018 users traveling throughout the European Union have free access to Nova GO, following the relevant European directive.

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### **IMPORTANT NOTE**

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performance of the Company, These forward looking statements contain risks and uncertainties due to the existence of factors that may lead to considerable deviation of the Company's future results from these estimates,

Forward looking statements speak only as of the date of this document, and we undertake no obligation to publicly update or revise any forward looking statements in this document to reflect any change in expectations or any change in events, conditions or circumstances on which these forward looking statements are based.