

H1 2017 Financial Results

Aug 08, 2017

Highlights

- **Total (normalized) revenues stood at 149,5 million euro and EBITDA at 16.1 million euro.**
- **3Play/bundled subscribers at 296k**
- **Broadband subscribers at 572k**
- **Pay TV subscribers at 423k**
- **The subscriber base declined as a result of the cautious commercial policy, the imposition of a 10% tax on Pay-TV and 5% tax on fixed line services**
- **The underperformance of the Super League has contributed decisively to the decline in financial figures - The Company having exhausted all negotiations without result and has filed a lawsuit for a price reduction of the collective management agreement**
- **Total Business revenue increased by 7,0% while Advertising revenue increased by 18.1%**

	06M 2017	06M 2016	Δ
Total Subscriptions	995,585	1,073,067	-7,2%
Unique Households	699,435	744,606	-6,1%
Households with 3play/Bundled Services	296,150	328,461	-9,8%
Broadband subscribers	572,306	612,815	-6,6%
Pay TV Customers in Greece	423,279	460,252	-8,0%

(.000€)	06M 2017	06M 2016	Δ
Revenue (including other income)	149,353	165,294	-9.6%
Revenue (normalized)	149,535	165,510	-9.7%
EBITDA	16,099	26,815	-40.0%

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

«The continuing recession coupled with the imposition the 10% tax on pay-TV and 5% tax on fixed line services had a negative impact on household spending for the first half of 2017. At the same time, the continuing under performance of the Super League had a negative effect not only on our subscription base, but also on our financials. In this unfavorable macroeconomic environment, we continue to implement a conservative commercial policy and take actions to further improve our cost base».

Operating Performance

Bundling/3Play

At the end of the first half of 2017, Forthnet served 296,2K households with Nova 3play/bundled services. The share of Nova 3Play subscriptions in Forthnet's customer base is over 42.3%.

	06M 2017	06M 2016	Δ
Households with 3play/Bundled Services	296,150	328,461	-9.8%
Households with 3play/Bundled Services as % of Total	42.3%	44.1%	-1.8p.p.

Telco

At the end of the first half of 2017 our LLU customers decreased to 557,1K.

	06M 2017	06M 2016	Δ
Broadband subscribers ¹	572,306	612,815	-6.6%
Active LLU customers	557,106	596,743	-6.6%
Unbundling Ratio	97.3%	97.4%	-0,1p.p.
LLU market share	26,5%	29,0%	-2,5%p.p.

Pay TV

At the end of the first half of 2017, the Pay TV subscriber base reached 423,3K customers.

	06M 2017	06M 2016	Δ
Pay TV customers in Greece	423,279	460,252	-8.0%

Financial Highlights

¹ Active and pending activation customers

Consolidated normalized revenues for the first half of 2017 amounted to € 149.5 million, decreased from the first half of 2016, due to the decline in consumer spending and a conservative approach to our commercial policy. Revenue from advertising improved by 18.1% as a result of the continuously upgraded content of Nova's TV program, and revenue from Corporate customers increased by 7.0%.

Revenue Analysis (€ '000)	06M 2017	06M 2016	Δ
Total Retail	110,583	128,880	-14.2%
Telco Retail	59,083	66,849	-11.6%
Pay TV Retail	51,500	62,031	-17.0%
Total Business	28,227	26,372	7.0%
Total Business (Normalized) ²	28,408	26,590	6.8%
Telco Business	18,940	17,180	10.2%
Telco Business (Normalized) ²	19,121	17,396	9.9%
Pay TV Business	9,287	9,193	1.0%
Advertising	4,888	4,140	18.1%
Other	5,656	5,901	-4.2%
Total Revenue	149,353	165,294	-9.6%
Revenue (normalized) ²	149,535	165,511	-9.7%

EBITDA for the first half of 2017 amounted to €16.1 million, compared to €26.8 million in the first half of 2016, mainly driven from the price depression and the adverse economic climate.

Ανάλυση EBITDA (€ '000)	06M 2017	06M 2016	Δ
Revenue (including other income)	149,353	165,294	-9.6%
Revenue (normalized) ²	149,535	165,510	-9.7%
EBITDA	16,099	26,815	-40.0%
EBITDA margin	10.8%	16.2%	-5.4%p.p.

Total bank debt in Jun 2017 stood at €256m.

Recent Business Developments

² Normalization relates to a reclassification in business revenues which presented in expenses, based on accounting policy.

Forthnet

- The company exhausted all negotiations trying to find a mutually acceptable solution with Super League and filed a lawsuit against the collective management agreement of the Greek Football Championship. In the lawsuit, based on an independent economic appraiser's report, the company requests a price adjustment.
- Forthnet and ZTE, further to the agreement signed between them in 2016 regarding the deployment of a fiber optic network in our country, have signed a Cooperation Agreement with Shanghai Gongbao Business Consulting Co. Ltd and KaiXinRong Group Co. Ltd to explore a partnership for the financing of a fiber optic network.
- Nova is taking part in the "Supported Satellite Access of Permanent Residents of Remote Territories" of the Ministry of Digital Policy, Telecommunications and Information with the Nova Freeview Service, offering free satellite access to television content that covers the interests and preferences of the whole family.
- Nova renewed its collaboration with FOX and FOX Life channels, the leading American network of FOX Networks Group, expanding its collaboration with the launch of FOX Play service.
- Nova On Demand service has been enriched with extra content so that subscribers have the opportunity to enjoy the Box Set of all Game of Thrones cycles, an enhanced children's program for the summer holiday season and more. The Nova On Demand service is already used by 25% of Nova 3Play subscribers, and the average service usage time increases each month.

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