



Results
Presentation
4Q19

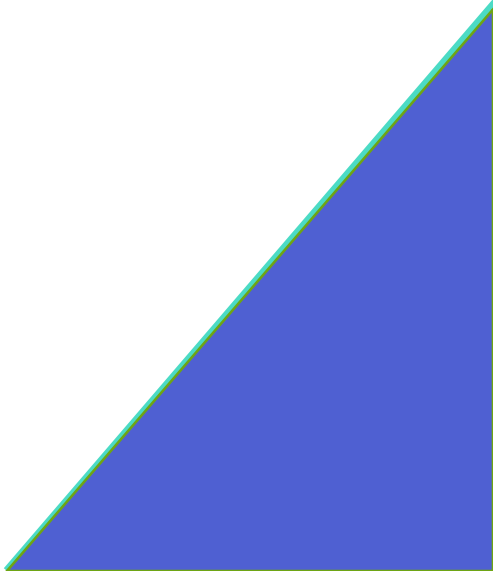
19

Highlights 4Q19



- Good **RGU** growth in 4Q19, with particularly strong performance in mobile and robust Pay TV net adds;
- Solid **Consolidated Revenue** performance, with consistent revenue growth of 1.1% in **Telcos** and 1.8% in **Cinemas & Audiovisuals**;
- **EBITDA** continues to grow above revenues driving margin expansion of 0.3pp in 4Q19;
- **Technological investments** on track with expansion of FttH network and mobile network upgrade complete.

Agenda

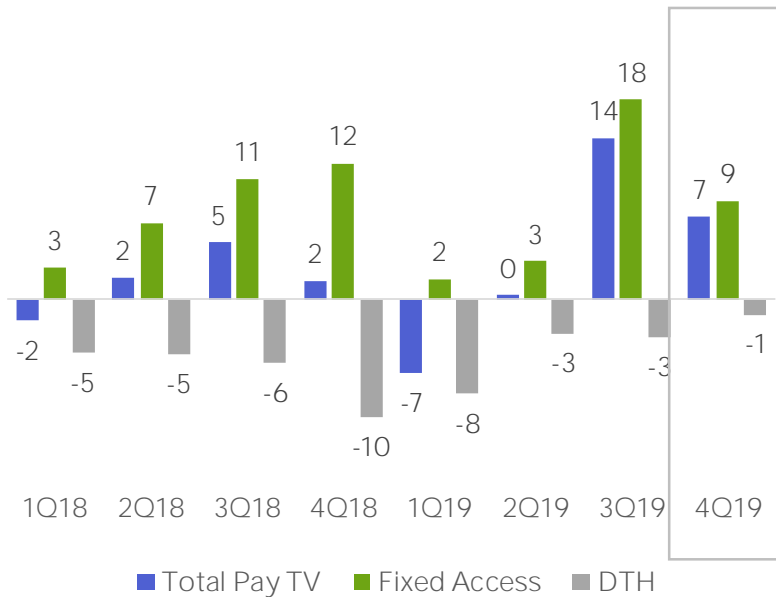
- I. Solid operating performance
 - II. Positive financial performance in a mature market context
- 

Solid operating performance

Good performance in Fixed Pay TV, fewer disconnections in DTH and strong growth in Mobile

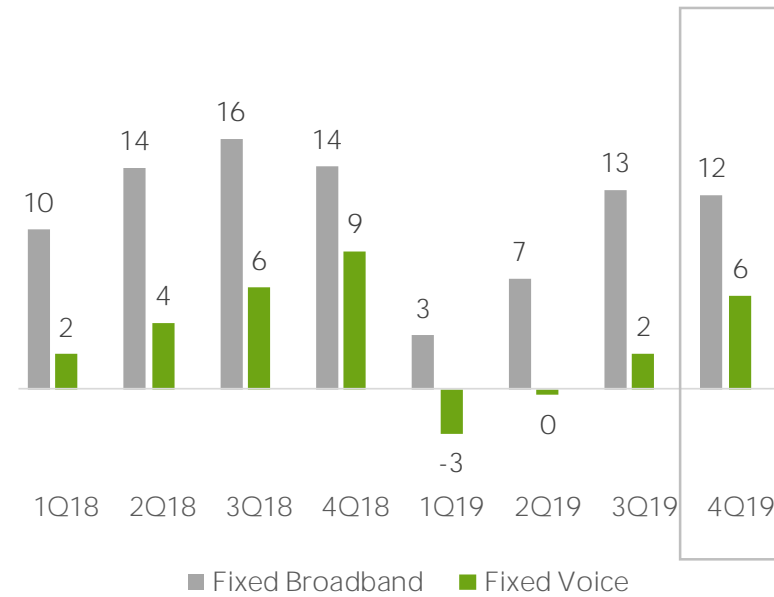
Fixed Access Pay TV - Net Adds

[Thousands]



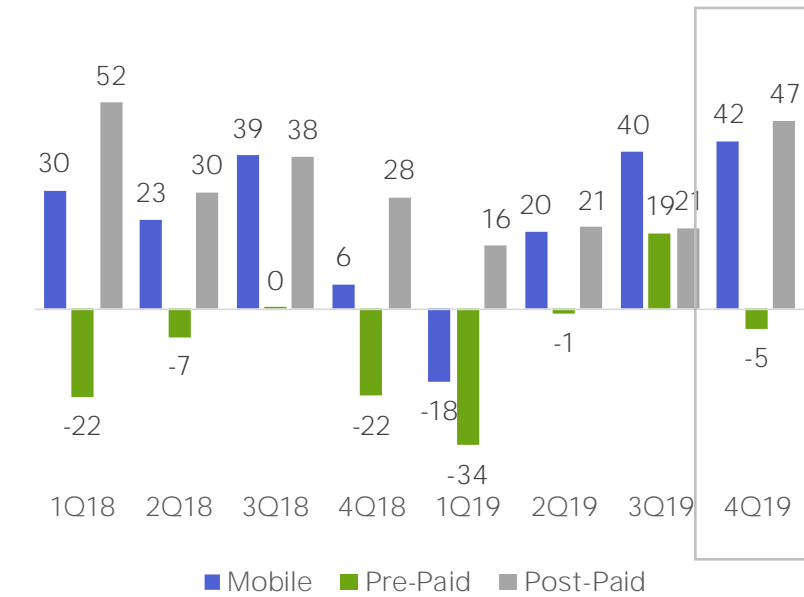
Fixed BB and Fixed Voice - Net Adds

[Thousands]



Mobile - Net Adds

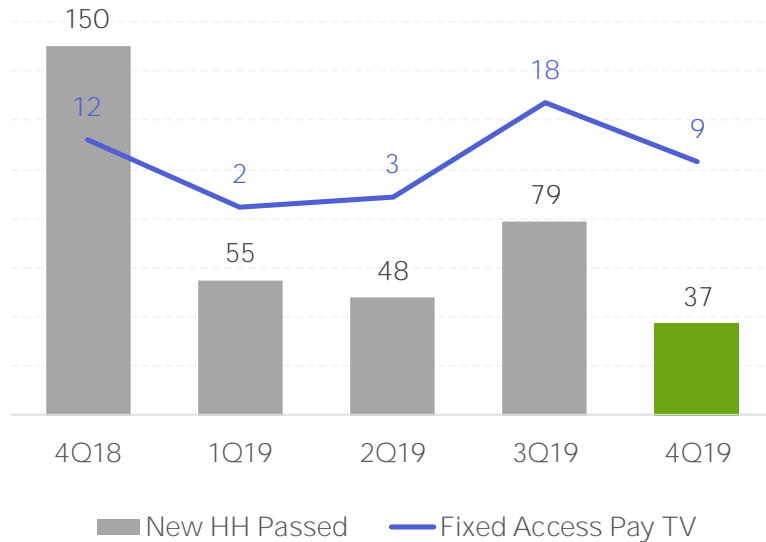
[Thousands]



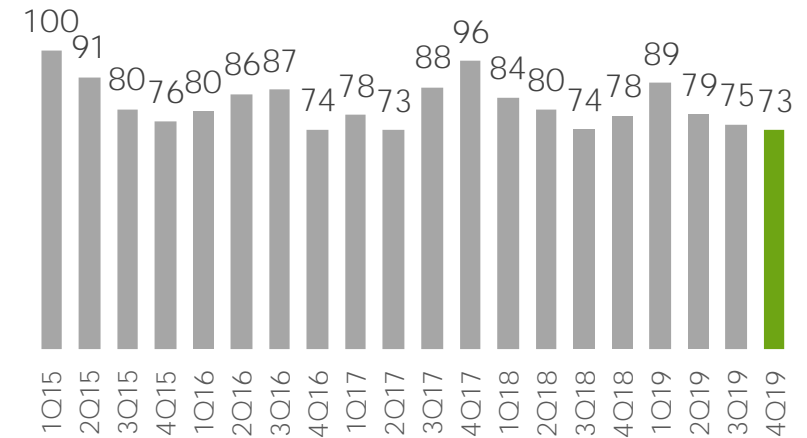
Solid operating performance

Pay TV growth led by increase in addressable households and continued decline in churn

NOS network expansion / Fixed Pay TV Net Adds [Thousands]



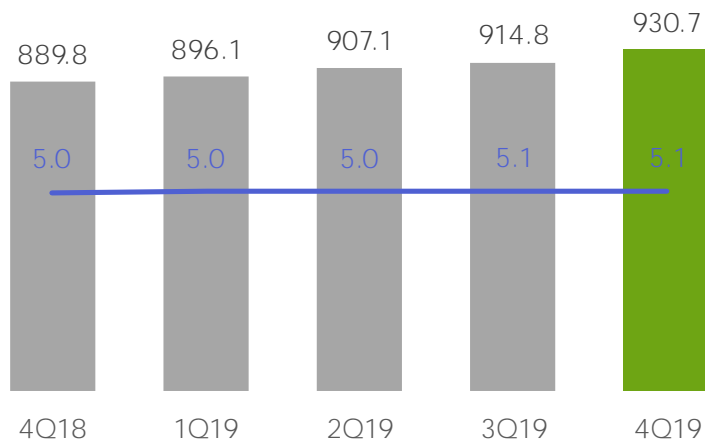
Fixed Residential Churn [Rebased, 1Q15 = 100]



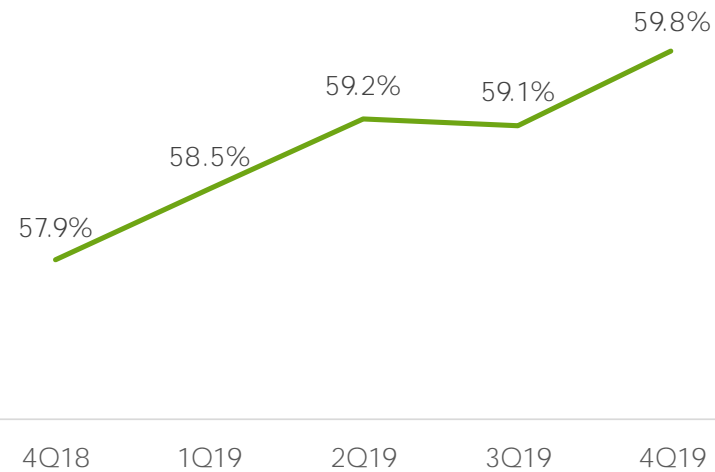
Solid operating performance

Momentum for more flexible, made to measure tariff plans continues to drive integrated subscriptions, supporting residential ARPU and offsetting international call cap pressure

Convergent+Integrated Subscribers, RGUs per Sub
[Thousands, Unit]

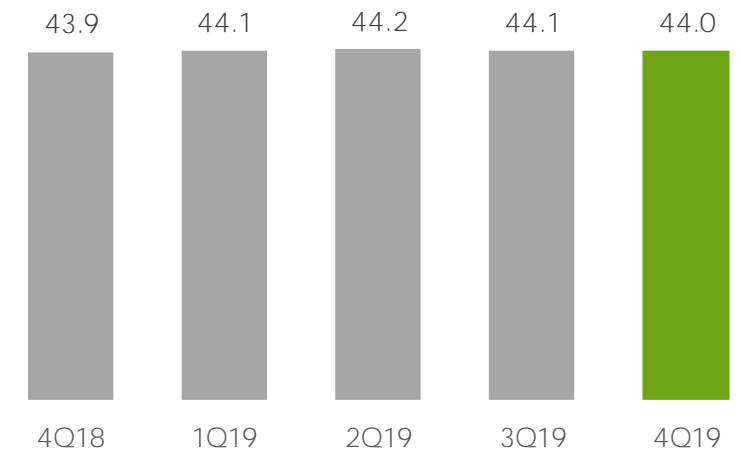


Convergent+Integrated Penetration of Fixed Access
Subscribers [%]



Fixed Residential ARPU

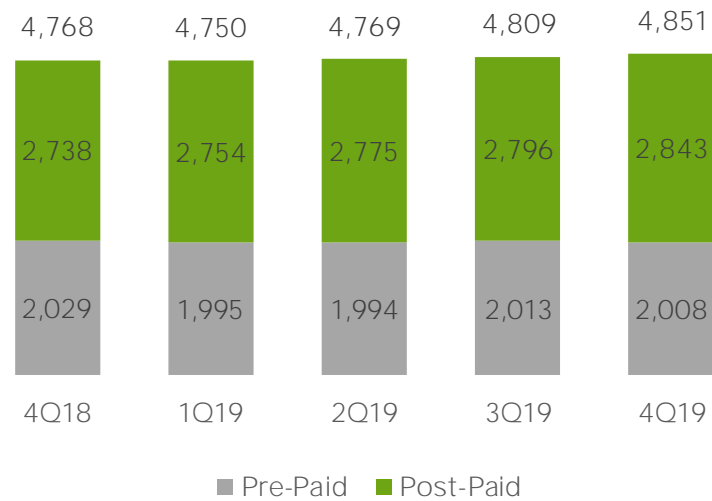
[Euros]



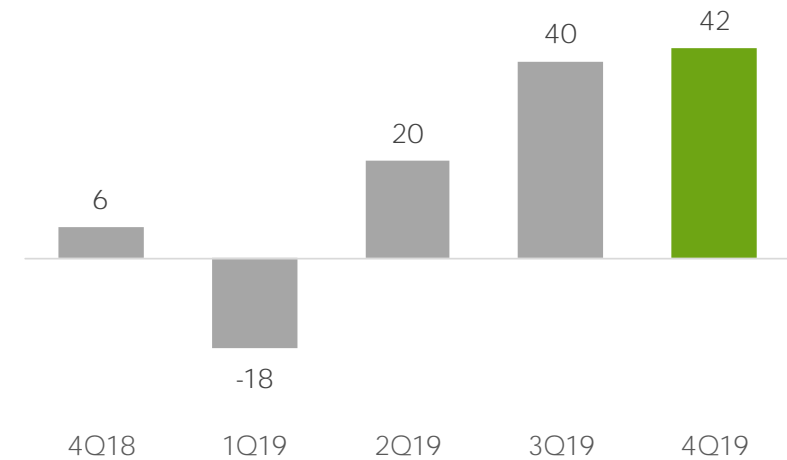
Solid operating performance

Growth in post-paid subs and yoy decline of pre-paid net losses driving higher mobile net adds

Mobile Subscribers [Thousands]



Mobile Net Adds [Thousands]



Solid operating performance

Innovative commercial launches in 4Q19

Nova rede móvel 5G ready
 Experiência TV
 Gestão conta App NOS
 App NOS Cinema

Product of the Year 2020 Awards
 Consumers have again elected **NOS'** products and services as Product of the Year

Matosinhos is the first NOS 5G city

Our 5G network pilot is 100% operational in Matosinhos, positioning NOS as a leader in the rollout of this technology

New ScreenX Concept (270-degree screen)

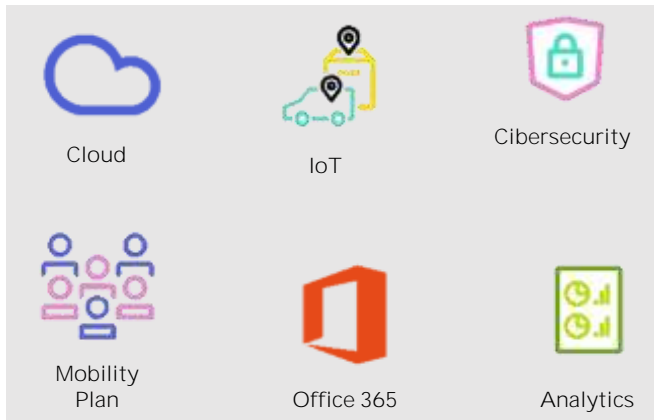
NOS Cinemas once more pioneered new formats for the Portuguese cinema fans

Solid operating performance

B2B: Continued growth of data and IT revenues, offsetting drag from more traditional telecom services

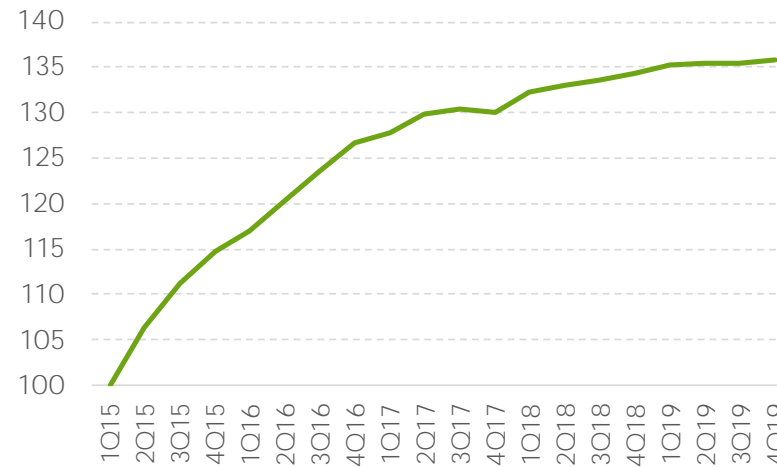


NOS was presented with the **HPE "Service Provider of the Year"** award, recognizing its positioning and strategy in delivering private cloud services to Corporate customers, combining HPE technology and **innovation with NOS' technological assets** and service management



B2B Total RGUs

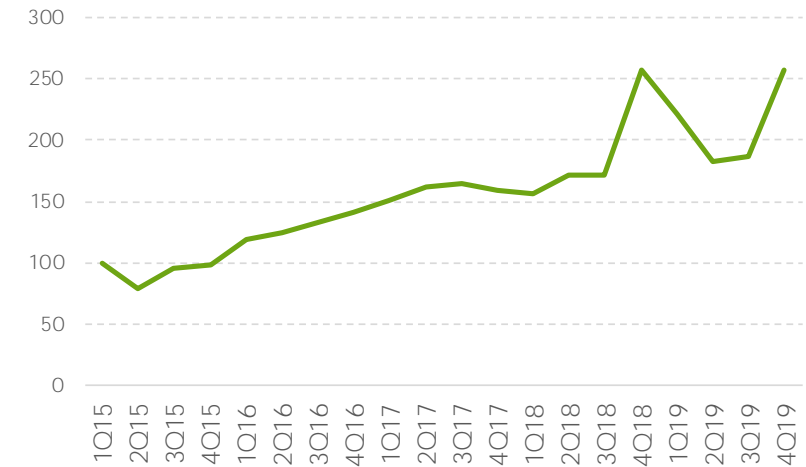
[Rebased, 1Q15 = 100]



The B2B segment overall has shown continued growth

Corporate IT Revenues

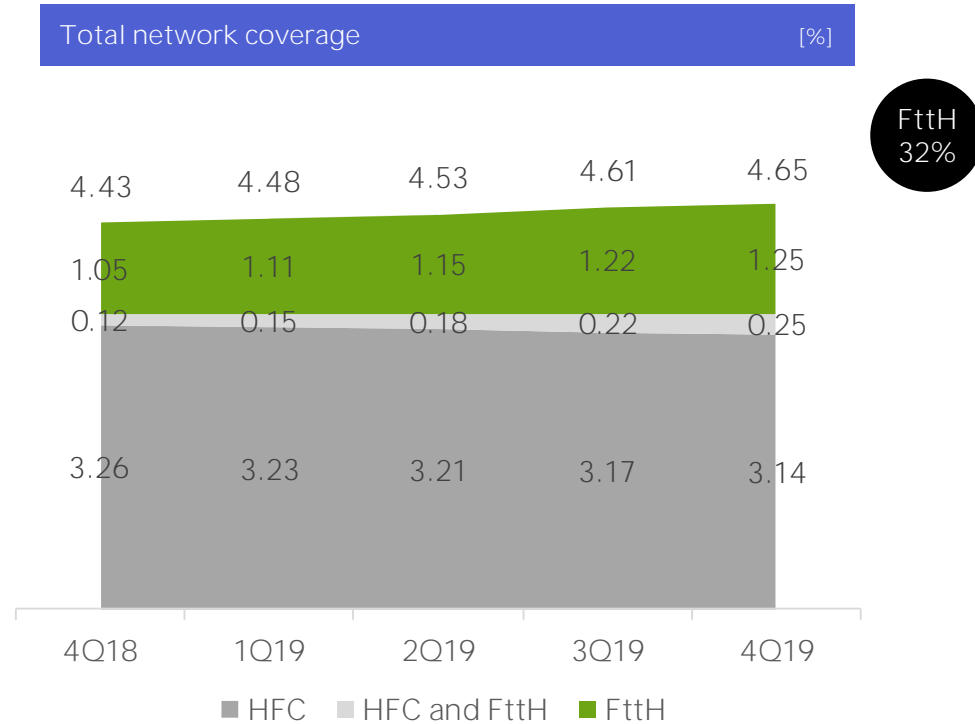
[Rebased, 1Q15 = 100]



IT services are driving a shift in revenue mix in the Corporate Segment, already representing 20% of revenues

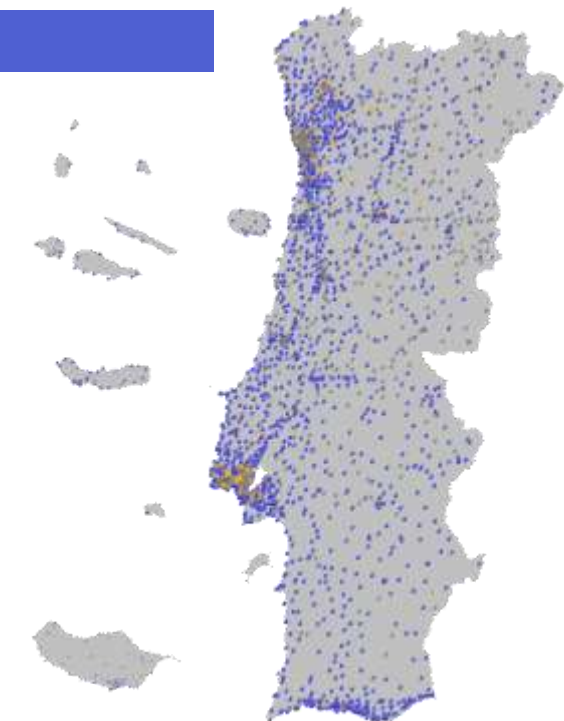
Solid operating performance

Technological investments: FttH rollout on track; Mobile Single RAN upgrade complete



Mobile Single RAN Upgrade

Modernization complete
(≈ 100% sites)



On 4 February 2020 NOS announced it had signed a [Letter of Intent](#) with Vodafone framing the negotiation principles for a [mobile network sharing agreement](#):

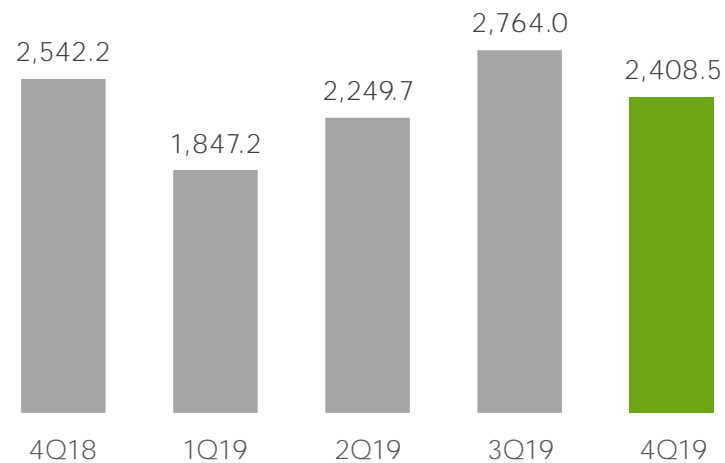
- [Sharing of mobile network assets](#) that are currently held or will be held, maintaining [strategic control](#) of network;
- The purpose of the agreement is to [enhance investment efficiency](#), drive [broader](#) and [faster nationwide coverage](#), and [reinforce](#) services providing more [benefits](#) for [customers](#).

Solid operating performance

Slowdown in Cinema ticket sales but pickup in Distribution market share

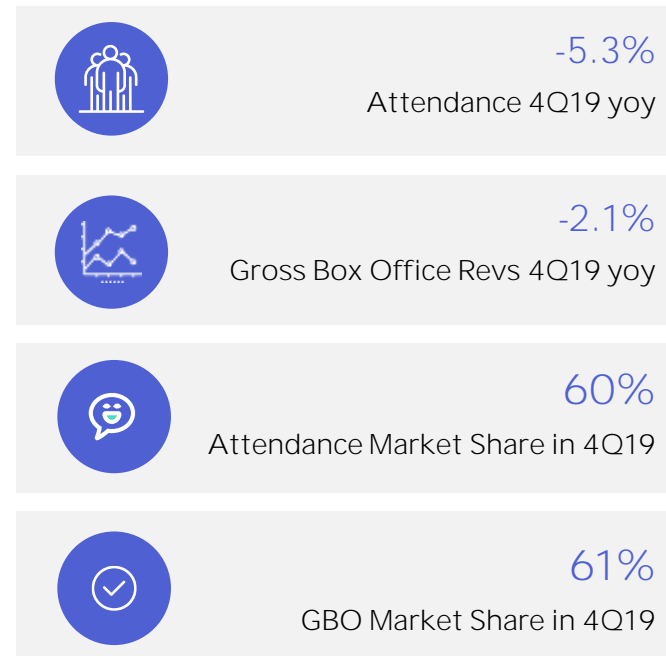
NOS Cinema Tickets Sold

[Millions]

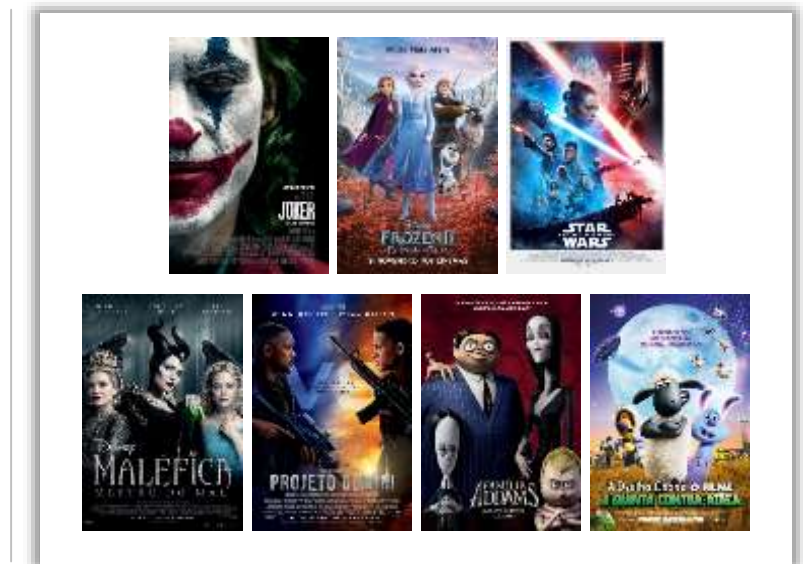


NOS Cinema YoY Growth

[%]

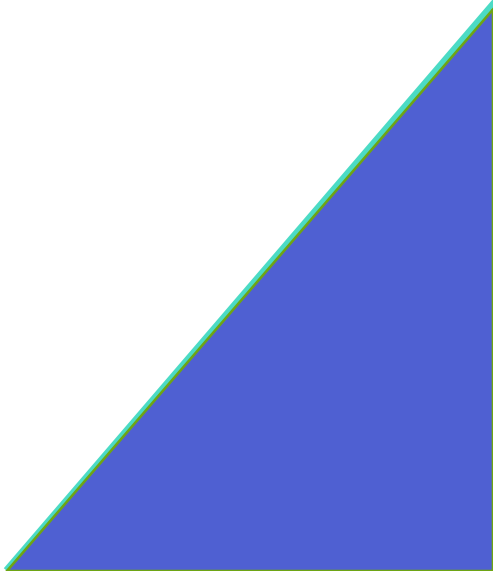


NOS Audiovisuais – Main Films Distributed in 4Q19



NOS Audiovisuais distributed 7 out of the TOP 10 movies in 4Q19

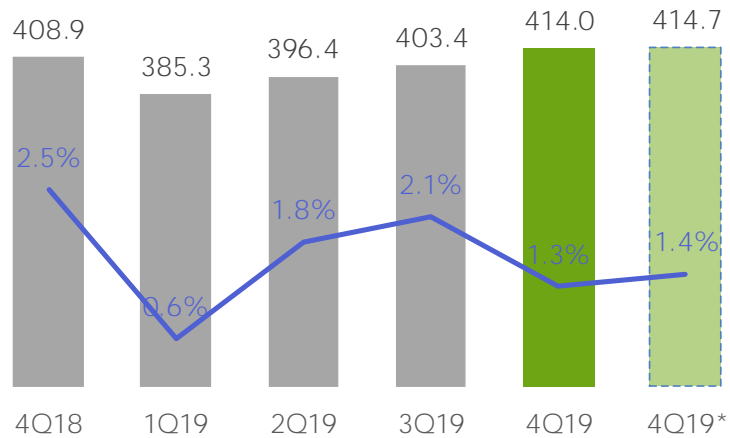
Agenda

- I. Solid operating performance
 - II. Positive financial performance in a mature market context
- 

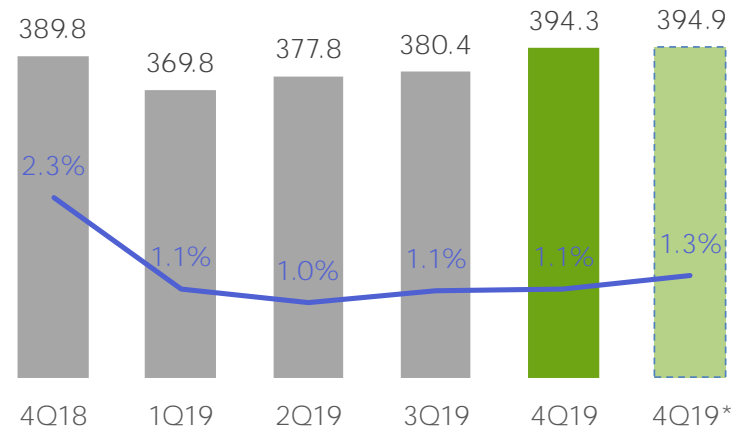
Positive financial performance in a mature market context

Consistent performance in Telco revenues, deceleration in Consolidated Revenues due to slowdown of AV & Cinema in the quarter

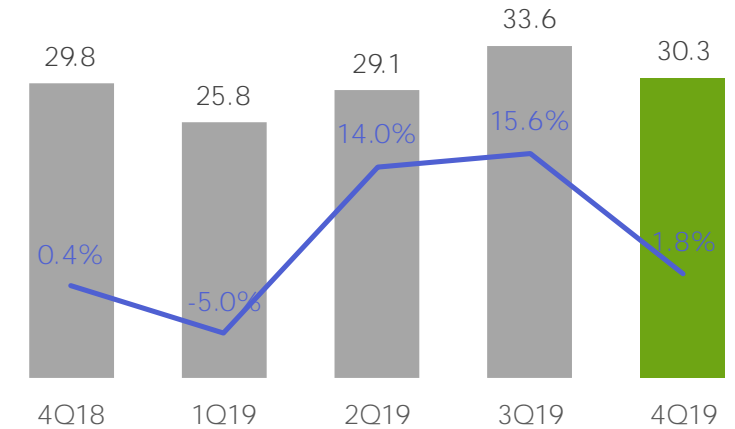
Consolidated Revenues and YoY Change [Millions of Euros, %]



Telco Revenues and YoY Change [Millions of Euros, %]



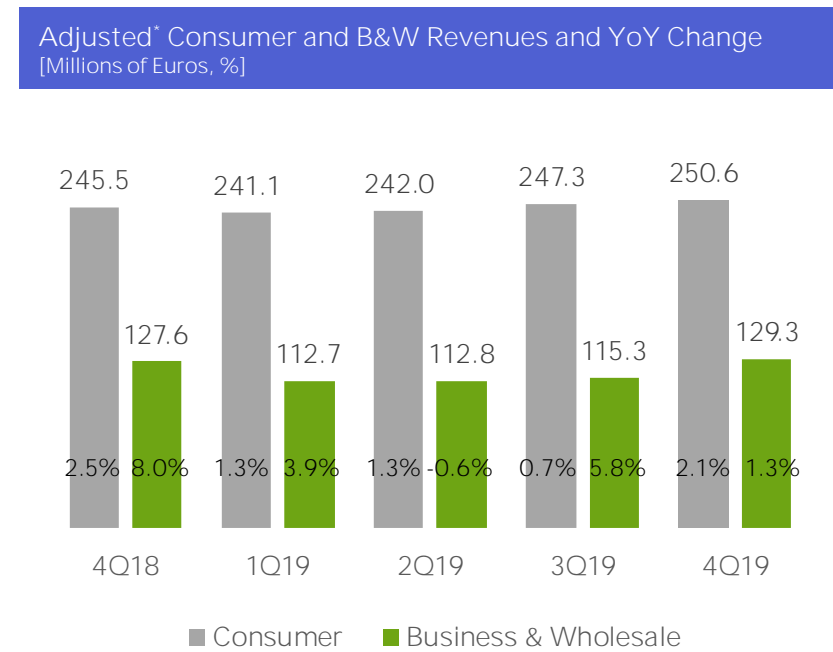
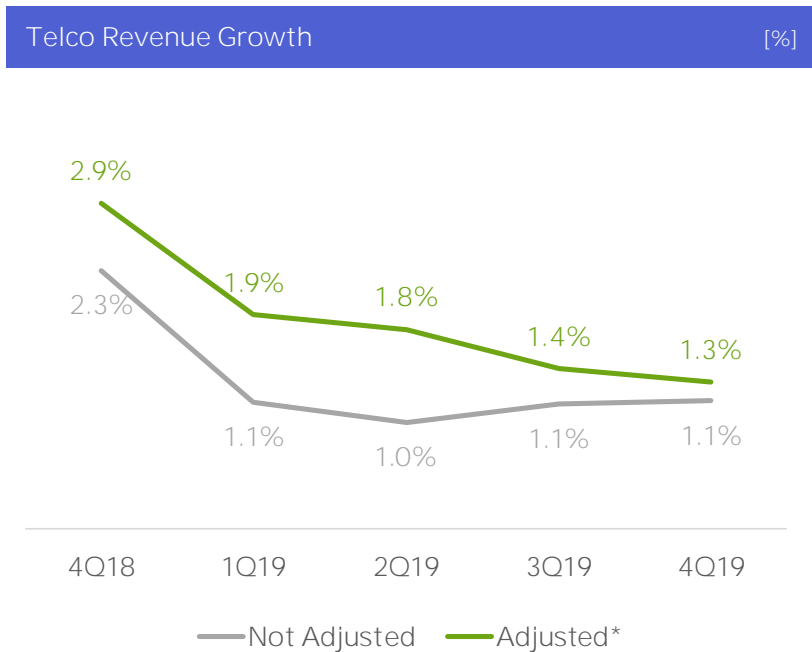
AV & Cinema Revenues and YoY Change [Millions of Euros, %]



* Revenues adjusted for the regulatory imposition of international call caps within Europe.

Positive financial performance in a mature market context

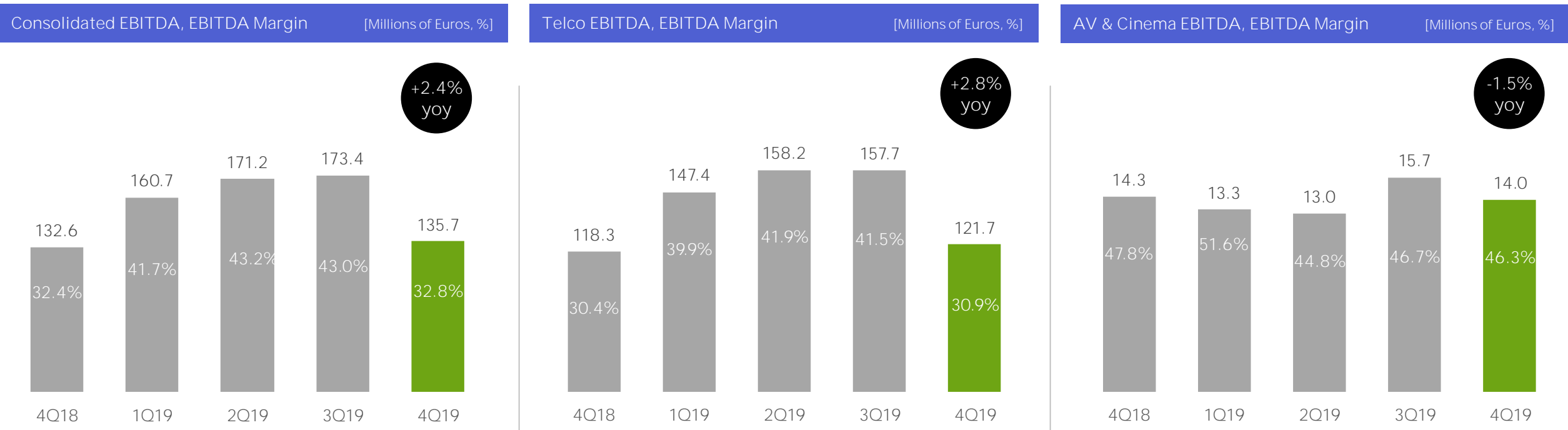
Improved performance in the Consumer segment and continued growth in B2B, mitigating drag from EU international call caps



* Revenues adjusted for the regulatory imposition of international call caps within Europe.

Positive financial performance in a mature market context

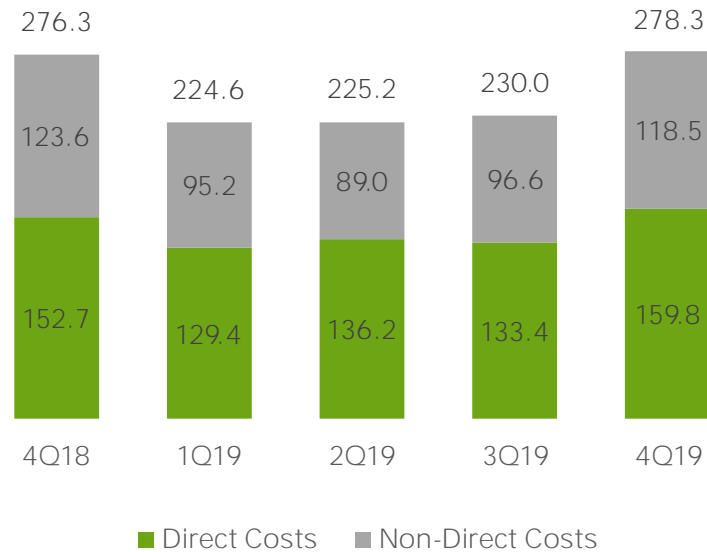
Consolidated EBITDA growth driven by consistent Telco EBITDA performance



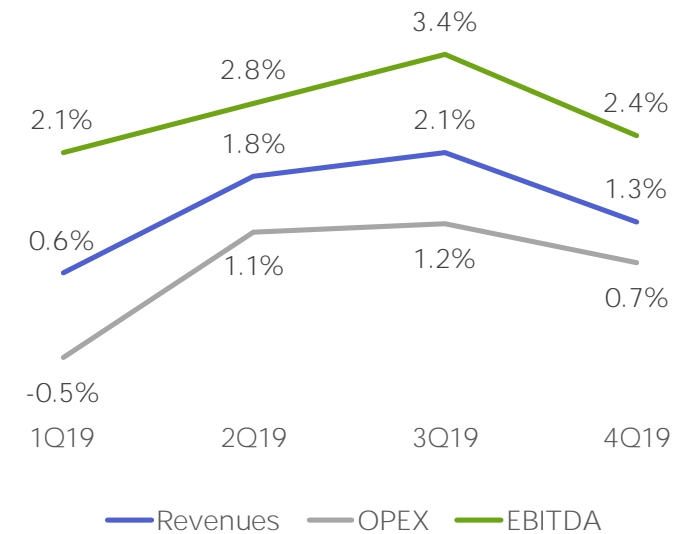
Positive financial performance in a mature market context

EBITDA continues to outgrow revenues due to cost discipline and operational transformation

Operating Costs [Millions of Euros]



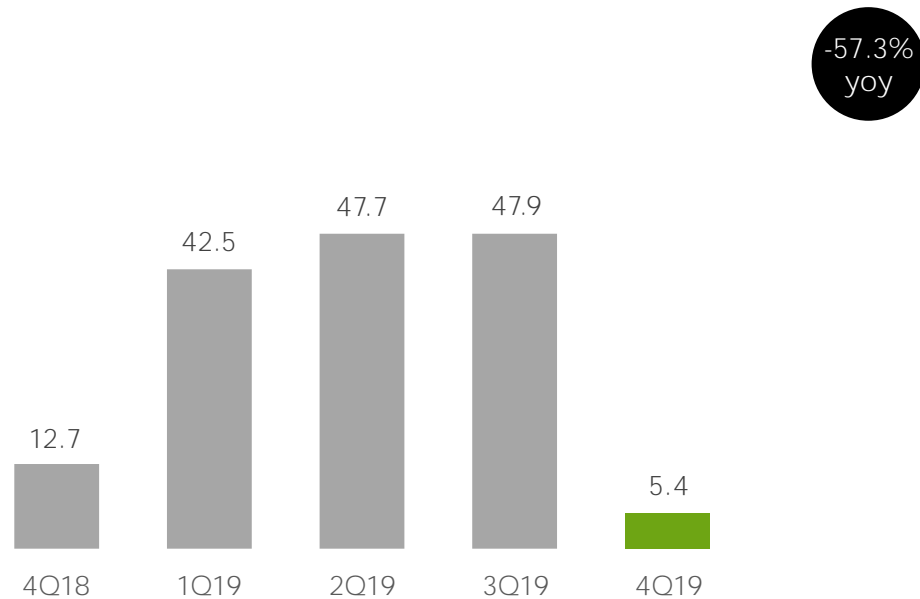
Revenues & EBITDA yoy growth [%]



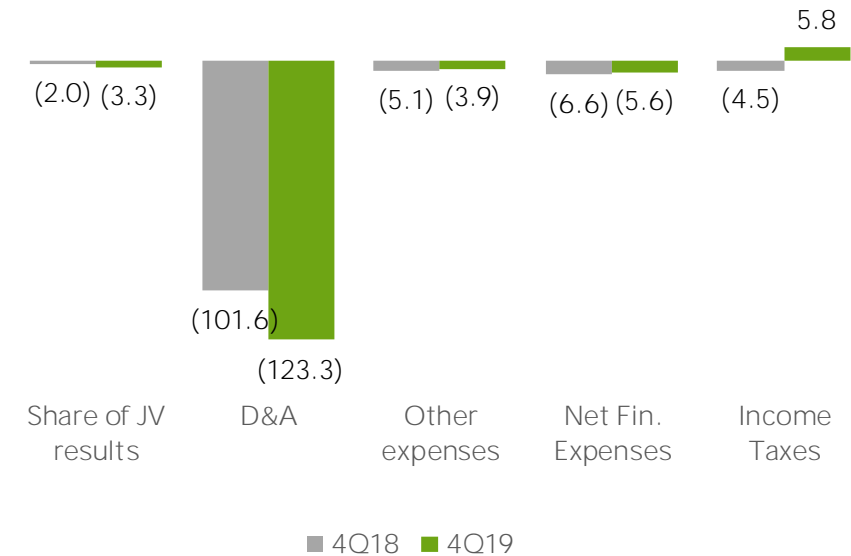
Positive financial performance in a mature market context

Net Income lower yoy due to impairment led D&A increase in the quarter

Consolidated Net Income [Millions of Euros]



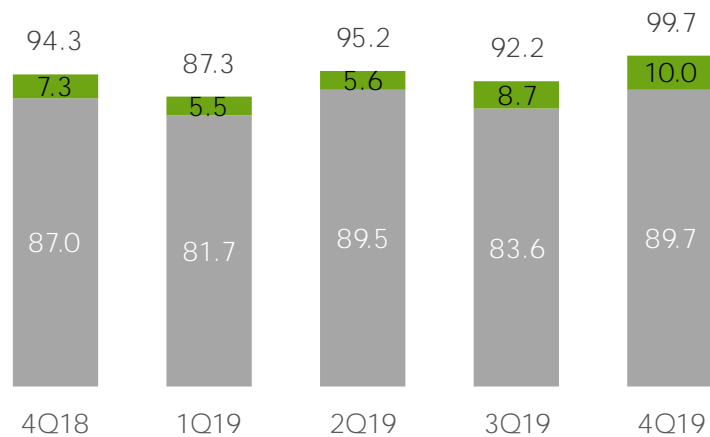
Cost breakdown below EBITDA [Millions of Euros]



Positive financial performance in a mature market context

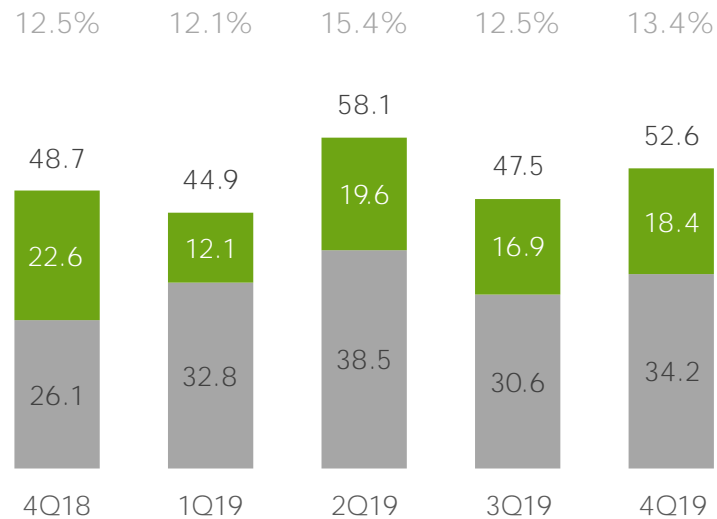
Higher CAPEX in 4Q19 reflects phasing of telco projects and cinema refurbishment

Total, Telco and AV & Cinema CAPEX Excl. Leasing Contracts
[Millions of Euros]



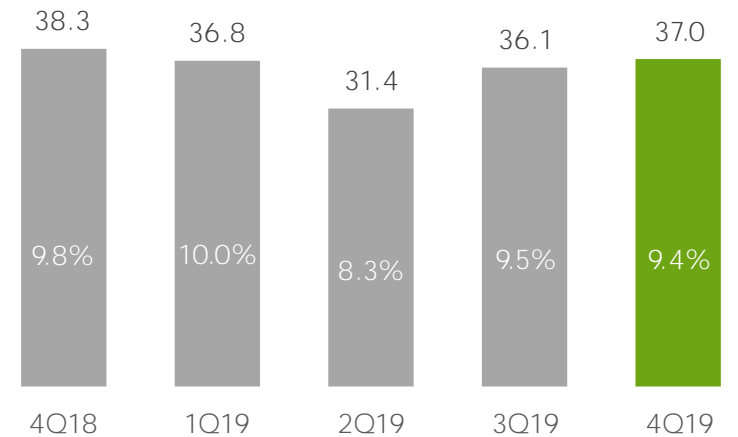
■ Telco ■ AV & Cinema

Technical CAPEX, % of Telco Revenues [Millions of Euros, %]



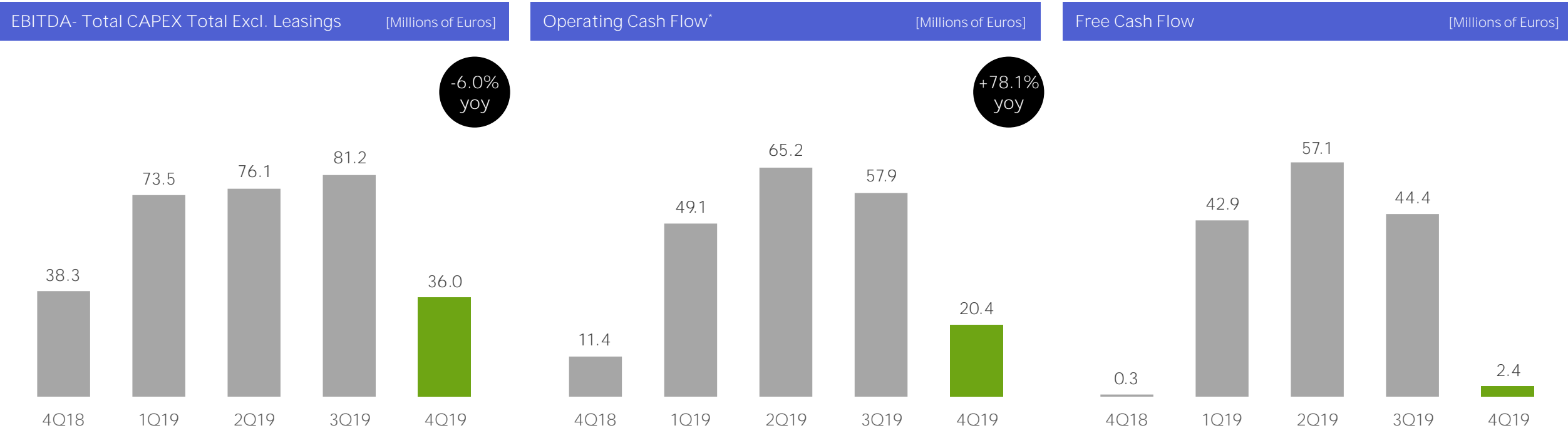
■ Baseline ■ NW Exp, Subst, Integration & Others

Customer CAPEX, % of Telco Revenues [Millions of Euros, %]



Positive financial performance in a mature market context

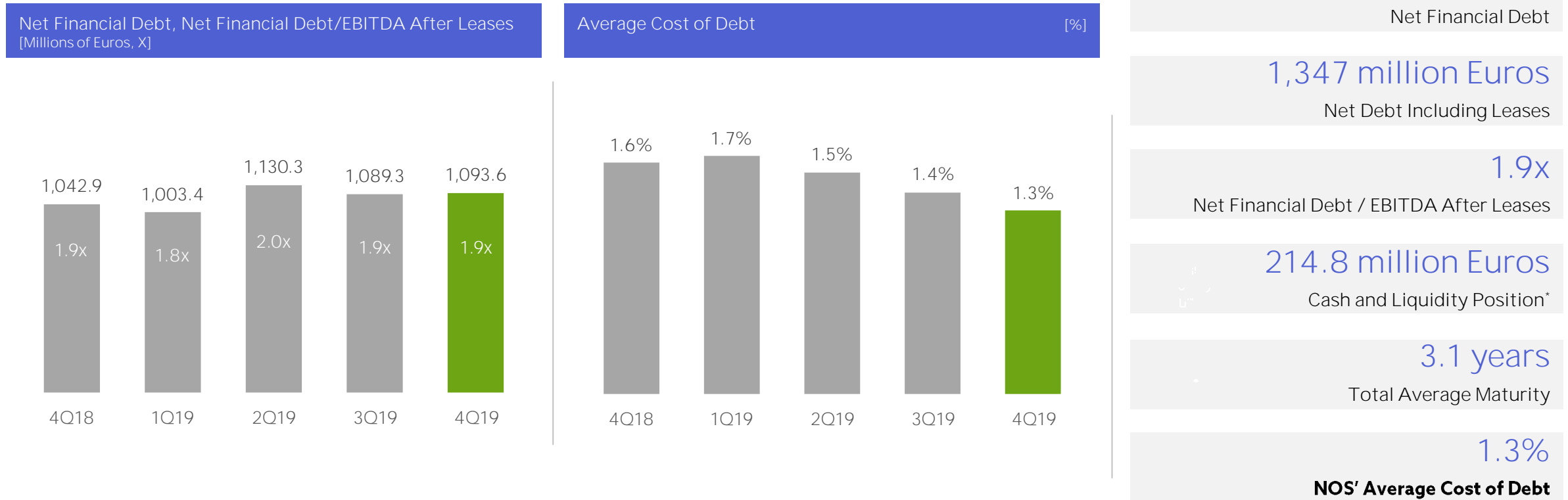
FCF improves yoy to 2.4 million euros due to positive working capital seasonality



* After lease payments.

Positive financial performance in a mature market context

Leverage ratio steady, with cost of debt reducing further yoy and qoq

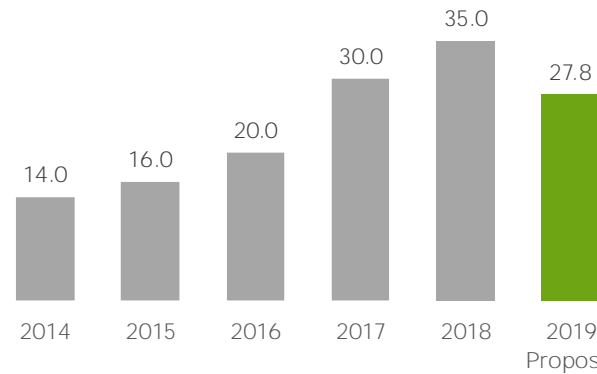


* Includes non-issued financing lines.

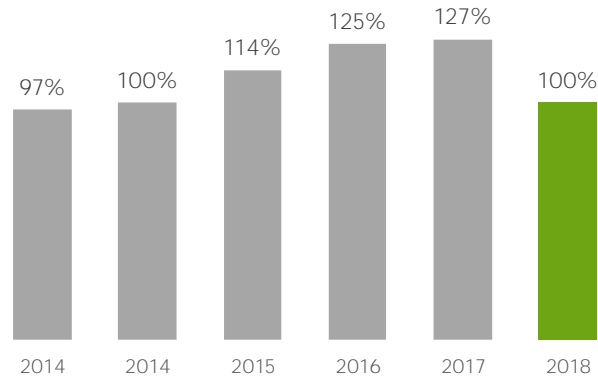
Positive financial performance in a mature market context

Dividend proposal of 100% EPS

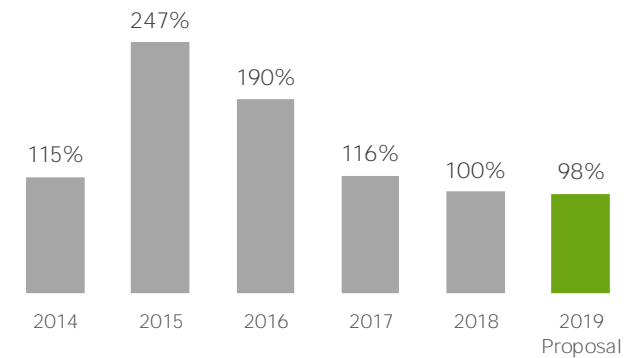
Dividend Per Share [Euro Cents]



Payout as % of Net Income [%]



Payout as % of FCF [%]



27.8 euro cent dividend proposal, corresponding to 100% of Net Income, 98% of FCF and to a 6.2% Dividend Yield



Management
Q&A

19



Results
Presentation
4Q19

19