NOS

Earnings Announcement 4Q20

Connected to the world
inspiring the future

MESSAGE FROM MIGUEL ALMEIDA, CEO

The strength of the operating and financial results we are reporting today bear testament once again to the resilience of our telecommunications business and to the power of our operating model. They demonstrate that the very nature of the services we provide, to individuals, families, companies and public institutions alike, are absolutely core to day to day life.

Our ability to adapt and maintain business continuity with minimal levels of disruption has brought us closer to our customers, further reinforcing a sense of community and belonging. Despite the challenging economic backdrop, we continue to invest in deploying and upgrading our communications networks and platforms, continuously innovating through product and service rollout and to provide the very best experience to our customers. We have strived to support our economy during the pandemic by easing contractual and financial terms to help customers in most difficulty, we have contributed to numerous initiatives to support our health system and community institutions and we have kept up the pace of recruitment and internal talent development, strengthening our organization for the challenges of the future.

As a key player in the Portuguese corporate and technological ecosystem, we take our environmental and social responsibility very seriously, having stepped up our commitment to achieving the United Nations Sustainable Development Goals and adoption of the principles of the Global Compact. Conscious of our leading role as a digital enabler in developing a more productive, socially just and environmentally conscious society, we are very excited with the transformational opportunities to be unleashed with the launch of 5G services in the coming months.

4Q20 HIGHLIGHTS

- Despite the volatility and harsh economic backdrop imposed by the pandemic, we grew to 9.96 million RGUs in total. Total RGU net adds were 78 thousand in the quarter reflecting growth across all core services: an additional 65.7 thousand mobile subscribers; 3.3 thousand fixed Pay TV customers; 6.1 thousand fixed broadband customers; and 4.9 thousand fixed voice services;

- This strong operating performance was translated into solid financial results with Telco revenues returning to growth of 1% to 350.2 million euros, recording the best quarter of the year and incorporating a particularly strong performance from the B2B segment, with increased sales of IT related services and projects;

- EBITDA from our telco operation increased by 1.5% in the quarter with some efficiencies in more structural cost items across the board although mitigated by additional costs to secure business continuity and service quality;

- Executing on our strategic ambition to provide as many people and companies with access to our NOS Next Generation networks and services, we accelerated the pace of network deployment in the quarter bringing our Gigabit broadband fixed coverage to 4.8 million Portuguese households, of which almost 2 million already covered by FttH;

- And we secured further network and future investment optimization with the successful negotiation of a pioneering active and passive mobile network sharing agreement with Vodafone; This agreement will enable faster, more efficient and environmentally sustainable deployment and operation of our mobile network;

- Following a shy pick-up in cinema spectators during the summer months, reinforcement of circulation restriction rules affecting major shopping centers during weekends towards the end of the year, coupled with the continued postponement of major movie launches, inevitably led to very weak Cinema ticket sales and lower revenues for this division. The sale of popcorn and beverages at cinemas was restricted as from the end of November 2020, thus contributing also to revenue decline;

- We reached the end of the year with an even stronger balance sheet, with a Net Financial Debt to EBITDA AL ratio of 1.5x strengthened by the initial proceeds from our tower sale deal which were received at the end of September (close to 375 million euros out of total proceeds of 550 million euros until 2026); We are also accessing funds at best in class rates with a 1.3% cost of debt during FY2020;

- Recognition of the strength of our ESG strategy and execution, and following the award of an "Advanced" rating by Vigeo in September, #5 in the European Telco ranking, we were awarded an A- classification by CDP, in our first time response, and taking advantage of these recognitions, we became the first telco operator in Portugal to issue a sustainability linked loan of 100 million euros in December;

- The demonstrated resilience of our telecom operating model; the talent, energy and experience of our people; our leading market share and brand recognition; the nationwide reach of our next generation fixed and mobile networks and one of the strongest balance sheets in the sector, all set us in excellent stead to embrace the opportunities and challenges associated with the next wave of technological 5G deployment and digital transformation whilst continuing to provide long term value creation for all our stakeholders, with particular focus on maintaining a sustainable and predictable level of shareholder returns.

Table 1.

4Q20 Highlights	4Q19	4Q20	4Q20 / 4Q19	2019	2020	2020 / 2019
Operating Highlights						
Homes Passed	4,612.6	4,806.7	4.2%	4,612.6	4,806.7	4.2%
% FttH	31.9%	39.5%	7.7pp	31.9%	39.5%	7.7pp
Total RGUs	9,687.3	9,963.8	2.9%	9,687.3	9,963.8	2.9%
Pay TV RGUs	1,638.7	1,657.1	1.1%	1,638.7	1,657.1	1.1%
Convergent + Integrated Customers	930.7	976.7	4.9%	930.7	976.7	4.9%
Fixed Convergent + Integrated Customers as % of Fixed Access Customers	59.8%	61.7%	2.0pp	59.8%	61.7%	2.0pp
Mobile RGUs	4,851.1	5,037.7	3.8%	4,851.1	5,037.7	3.8%
Residential ARPU / Unique Subscriber With Fixed Access (Euros)	44.7	44.2	(1.3%)	44.8	43.5	(2.8%)
Financial Highlights						
Telco Revenues	346.6	350.2	1.0%	1,381.4	1,345.7	(2.6%)
Telco EBITDA	121.9	123.7	1.5%	583.9	573.6	(1.8%)
Telco EBITDA Margin	35.2%	35.3%	0.2pp	42.3%	42.6%	0.4pp
Telco EBITDA - Telco CAPEX Excluding Leasings & Other Contractual Rights	32.2	12.9	(60.0%)	239.4	209.5	(12.5%)

OPERATING REVIEW

Telco

Although the fourth quarter still reflected a number of pandemic related impacts, namely strong reduction of roaming revenues, core telecom operations continued to demonstrate a marked resilience in these challenging times.

- The pandemic has inevitably imposed a decisive management focus on securing critical support throughout the crisis to our customers, employees, and society in general and we play a leading role in providing the core connectivity, data, IT and entertainment services that allow our customers to maintain their day to day professional, social and family lives. Our main concerns are to guarantee the safety and protection of our staff and the implementation of operational processes that ensure resilience of supply changes, both ours and those of our customers, whilst maximizing the potential of new ways of remote working. We made a decisive contribution to the wellbeing of the population with a number of initiatives to support Portuguese health institutions and cooperated with public institutions on many levels. We are supporting our economy by maintaining our recruitment and training activity and when feasible, have facilited contractual terms for customers in order to relieve some of the treasury distress caused by the lockdown.

- In 4Q20 we continued to deliver solid RGU growth and strength in telco customer revenues, reflecting the resilience of our core operations. RGUs grew by 78 thousand in 4Q20, led by net growth in Mobile (+65.7 thousand subscribers), Fixed Broadband (+6.1 thousand subscribers), Pay TV (+3.3 thousand fixed subscribers, -2.6 thousand DTH subscribers), and Fixed Voice (+4.9 thousand subscribers). Customers continue to be attracted to our fixed and mobile converged offers with an additional 9.1 thousand customers in the quarter bringing fixed convergent penetration up to 61.7%.

- The pandemic has fast charged the pace of digital adoption and the sudden shift to remote work models and more content consumption from the home has placed additional pressures on provision of the very best broadband connectivity. To respond to this challenge and continue to improve customer experience we have intensified the pace of product and service innovation, and where relevant, secured partnerships with a number of leading international players, with particular focus on Internet solutions.

- The launch of our Power WiFi solution in partnership with Plume, offers a 100% digital, state of the art solution for WiFi coverage in the home. In response to the needs generated by the confinement, we extended the range of equipment available to customers at the best market conditions, and significantly increased sales of laptops, tablets and consoles, with the most recent partnership with Sony in December proving a big success. We increased the uptake of our new GiGa router, improving the resilience and speed of services to up to 1 Gigabit. We also accelerated deployment of our UMA TV 4K latest generation set top box, thus making the best entertainment interface available to all our customers (voted product of the year for the third year running). Conscious of the relevance of new viewing platforms, we upgraded our NOS OTT streaming service to make it more resilient and intuitive, pioneering the launch in Portugal of 4K over OTT and thus, preparing the way for the opportunities offered by 5G. The NOS OTT APP is ranked 4.5 in the IOS store and 4.2 on the Android store, clear recognition of how our clients evaluate the platform. As an alternative to our UMA TV 4K box, in July we launched the Apple TV 4K box providing the best NOS content and features allied with Apple's undisputable user experience, creating a new Apple TV rental model. The innovation in customer premise devices is translating into higher equipment revenues coupled with higher average costs and investment given their more premium nature.

- Innovation in mobile is also a major focus. Having been the first to launch eSIM technology in Portugal, we developed a number of pioneering B2C IoT tariff plans supported by NB-IoT, differentiating in the connected-device ecosystem for the consumer segment. Again, for these launches we firmed an important partnership with Alcatel whereby we transported their location and tracking devices into relevant applications for the consumer market. In December we launched Smart Number, a 100% digital solution in partnership with Apple and Samsung, which allows for autonomous and transparent smartwatch connectivity using the same telephone number as the smartphone. Again, we pioneered the launch of the smart number service in Portugal, along with innovative devices such as the Apple Watch Series 6 Cellular and Samsung Gallaxy Watch 3 LTE. These numerous innovations and pioneering launches establish the technological stage and solutions for NOS to lead the wave of mobile technological disruption that is set to accelerate with the launch of 5G networks.

- Our value proposition in the B2B space spreads across a vast portfolio of IT and Data management solutions, positioning NOS as the partner of choice for the digital transformation of Portuguese companies, be they large public institutions or small and mid sized businesses. We presented a vigorous response to the challenges of the pandemic grounded upon our technological assets, internal skills and strategic partnerships with some of the leading players in the world. We helped our clients ensure business continuity by reinforcing operational resilience and facilitating a robust and swift change to dematerialized services and to remote, more digital ways of working and collaboration whilst we increased our investment in platforms to protect against the inevitable increase in cyber security risks.

- The pandemic is taking its toll on the national economy and we put a number of measures in place to ease some of the financial and operational pain felt by clients, namely by increasing payment flexibility, introducing more agile support processes and by promoting a steady flow of communication with clients, helping them to manage key areas of crisis response. Demand for tools to facilitate digital transformation accelerated with particularly significant growth in 4Q20 with an increase in sale of business solutions of 45% yoy. Across the whole B2B segment, we generated more revenues from cybersecurity and business continuity solutions led by the exponential growth in news ways of working and shopping online, a shift that is being enabled by migration to the cloud. Some of the services that saw the most significant growth in our portfolio were business VPNs, acceleration of multifactor authentication solutions and investment in new perimeter security systems (such as Anti-DDoS or firewalls). "As-a-service" solutions continue to grow, in particular related with sharing, secure warehousing, data recovery solutions and with easy access, cloud based, remote operational control and monitorization services. Demand for helpdesk and data recovery solutions also continued to grow with some of the largest companies in Portugal choosing to install their data recovery infrastructures in NOS' state-of-the-art data centres.

- The encouraging progress made in customized solutions for large corporate accounts and more standard product lines for SMEs was rooted in strategic partnerships with public cloud services provided by AWS, Microsoft and Google. Together with AWS we launched the first Iberian edge-computing offer, Outposts, that guarantees faster computer processing capabilities, support for greater workloads and optimization of data warehousing. AWS recognized our performance with their "Rising Star award for an AWS partner network". In partnersip with Google Cloud we launched the Anthos hybrid cloud solution in December to facilitate technological infrastructure transition. To meet the need to optimize remote work models we launched a new business line, Google workspaces, dedicated to digital productivity tools and reinforced our partnership with Microsoft for Microsoft 365. Requirements to partner with these leading international players are significant and we secured an additional 30 certifications, amongst which the recognition as a Microsoft Gold partner and Google Premier. We also launched a number of IoT digital offers over the national NB-Iot network, focusing on use cases for utilities, to implement SmartCities and for applications to monitor and control industrial consumption levels. The launch of 5G will be an accelerator of digital transformation for our B2B clients, and we are actively pursuing innovative pilot projects in close cooperation with various agents in the academic and start-up digital ecosystem. We are already seeing very promising results in the industrial and retail sectors, in association with development of emerging AR and VR technological solutions. In our Wholesale business, we were recognized as a "Zero Outage Supplier" by Deutsche Telekom for southern Europe, recognizing NOS´ status as a multinational wholesale operator with best in class quality standards as regards availability and delivery of services to the final telecom customer. In terms of revenues, the wholesale division continues to reflect the loss of roaming revenues due to worldwide travel restrictions. Although also posting negative yoy trends throughout most of the year, mass calling services saw some respite in 4Q20, thus reducing the negative rate of yoy performance in the quarter.

- The pace of FttH deployment remained high in 4Q20 with an additional 89 thousand households reached in 4Q20, both green and brownfield, combining our own deployment and network sharing and wholesale agreements. In total, by the end of the year, our Gigabit fixed network covered 4.807 million households, and of which 39.5% were already FttH and the remainder Docsis 3.1, fully upgraded to OFDMA (orthogonal frequency-division multiple access) for greater upstream capacity. FttH network expansion is key to extend coverage of the residential market and also enables faster and less expensive connections to B2B customers whilst also connecting more mobile sites directly with optic fibre, which greatly enhances mobile internet service quality both over 4G and ahead of the 5G launch. The sudden change of consumption profiles due to the pandemic, namely in terms of content consumed and usage profiles led to significantly higher demands on the network and the need to reinforce network capacity and resilience, with particular focus on the deployment of more radio frequency carriers on mobile sites. Overall, in 2020, we increased our 4G radio frequency carriers by more than 40%, and total capacity grew by 25%. Despite the additional pressure, service levels remained intact with minimal disruption, a result of the significant investments made in past years to deploy our nationwide next generation network, both fixed and mobile.

- After successfully completing the agreement to sell 100% of the share capital of NOS Towering S.A. to Cellnex, in return for proceeds of around 375 million euros out of total 550 million euros already contractualized with Cellnex, in 4Q20, we signed a set of agreements with Vodafone regarding the sharing of mobile network support infrastructure (passive infrastructures such as towers and poles) and active mobile network elements (active radio equipment such as antennas, amplifiers and remaining equipment). The agreements have a nationwide scope with diverse geographical application according to higher or lower level of population density. In higher density geographies, typically larger urban areas, we will pursue synergies by sharing support infrastructure. In lower density areas, typically rural and interior geographies, in addition to shared use of support infrastructure, we will also share active mobile network. The agreements focus on assets currently held, or that may be held by each party in the future, and on existing 2G, 3G and 4G technology. Incorporation of 5G technology in these agreements will depend on each operators' decision of whether to deploy this technology. Spectrum sharing between the operators is not contemplated. Each operator will maintain exclusive strategic control of its networks, thus ensuring full competitive, strategic and commercial independence and the ability to differentiate in terms of customer service and provision and will be able to develop respective mobile networks independently. With these agreements we will be investing more efficiently by capturing value through synergies. We will also be able to deploy our mobile network faster and in a more environmentally responsible way, thus benefitting customers and remaining stakeholders. Sharing of mobile infrastructure represents an important contribution towards greater geographical cohesion and digital inclusion, both of which are essential to the sustainable development of the country.

Media and Entertainment

- Our Media and Entertainment business continues affected by the pandemic, namely in the Cinema exhibition and distribution operations. Although theatres were open during the last quarter of the year, closure of major shopping centers during weekends after 1PM and continued and indefinite postponement of major movie launches, resulted in very negative yoy performance. In 4Q20, spectator numbers fell by 87.3% yoy and exhibition revenues by 87.1% to 1.7 million euros. This performance compares with a reduction in spectators for the Portuguese market of 87.7%, with NOS' market share of revenues in the quarter amounting to 64.2%. Given the continued negative outlook for cinema going and movie line-up, we focused our efforts on keeping running costs to a minimum. Investments to upgrade and modernize cinema multiplexes have also been put on hold.

Table 2.

Operating Indicators ('000)	4Q19	4Q20	4Q20 / 4Q19	2019	2020	2020 / 2019
Cinema (1)						
Revenue per Ticket (Euros)	5.3	5.2	(1.9%)	5.2	5.3	1.3%
Tickets Sold - NOS	2,408.5	306.6	(87.3%)	9,269.4	2,310.4	(75.1%)
Tickets Sold - Total Portuguese Market (2)	4,039.1	495.3	(87.7%)	15,540.7	3,773.6	(75.7%)
Screens (units)	219	208	(5.0%)	219	208	(5.0%)

(1) Portuguese Operations
(2) Source: ICA - Portuguese Institute For Cinema and Audiovisuals

FINANCIAL PERFORMANCE

The following Consolidated Financial Statements have been subject to full audit for the full year 2020.

Table 3.

Profit and Loss Statement (Millions of Euros)	4Q19	4Q20	4Q20 / 4Q19	2019	2020	2020 / 2019
Operating Revenues	366.4	354.3	(3.3%)	1,458.4	1,367.9	(6.2%)
Telco	346.6	350.2	1.0%	1,381.4	1,345.7	(2.6%)
Consumer Revenues	253.1	253.3	0.1%	990.3	981.8	(0.9%)
Business Revenues	75.4	79.6	5.6%	288.4	289.2	0.3%
Wholesale and Others	18.2	17.4	(4.5%)	102.8	74.7	(27.4%)
Audiovisuals & Cinema (1)	30.3	11.9	(60.7%)	118.8	53.8	(54.7%)
Others and Eliminations	(10.6)	(7.9)	(25.7%)	(41.8)	(31.6)	(24.4%)
Operating Costs Excluding D&A	(230.5)	(222.3)	(3.5%)	(818.4)	(764.7)	(6.6%)
Direct Costs	(112.0)	(115.2)	2.9%	(419.7)	(390.1)	(7.0%)
Non-Direct Costs (2)	(118.5)	(107.1)	(9.6%)	(398.8)	(374.6)	(6.1%)
EBITDA (3)	135.9	132.0	(2.9%)	640.0	603.2	(5.7%)
EBITDA Margin	37.1%	37.3%	0.2pp	43.9%	44.1%	0.2pp
Telco	121.9	123.7	1.5%	583.9	573.6	(1.8%)
EBITDA Margin	35.2%	35.3%	0.2pp	42.3%	42.6%	0.4pp
Cinema Exhibition and Audiovisuals	14.0	8.3	(40.7%)	56.0	29.6	(47.1%)
EBITDA Margin	46.3%	69.9%	23.6pp	47.2%	55.1%	7.9pp
Depreciation and Amortization	(123.3)	(104.6)	(15.2%)	(421.3)	(409.8)	(2.7%)
(Other Expenses) / Income	(3.9)	(2.2)	(44.4%)	(17.9)	(56.0)	212.8%
Operating Profit (EBIT) (4)	8.7	25.2	191.3%	200.7	137.3	(31.6%)
Share of profits (losses) of associates and joint ventures	(3.3)	0.0	(100.9%)	(1.0)	(9.1)	n.a.
(Financial Expenses) / Income	(5.6)	(10.1)	80.2%	(24.7)	(26.6)	7.6%
Income Before Income Taxes	(0.3)	15.2	n.a.	175.0	101.6	(41.9%)
Income Taxes	5.8	(2.1)	n.a.	(32.6)	(16.3)	(49.8%)
Net Income Before Associates & Non-Controlling Interests	8.8	13.1	47.7%	143.4	94.3	(34.2%)
Income From Continued Operations	5.5	13.1	137.0%	142.4	85.2	(40.2%)
o.w. Attributable to Non-Controlling Interests	0.0	(0.2)	n.a.	0.3	0.4	42.3%
Discontinued Operations	(0.1)	0.0	(100.0%)	0.8	6.4	n.a.
Net Income	5.4	12.9	138.4%	143.5	92.0	(35.9%)

(1) Includes cinema operations in Mozambique.
(2) Non-Direct Costs Include Commercial & Customer Related Costs and Operating & Structure Costs
(3) EBITDA = Operating Profit + Depreciation and Amortization + Integration Costs + Net Losses/Gains on Disposal of Assets + Other Non-Recurrent Losses/Gains
(4) EBIT = Income Before Financials and Income Taxes.

Revenues

Revenues from our core telecom business posted a significant sequential improvement in 4Q20 with growth of 1% compared to -2.2% in 1Q20, -7.8% in 2Q20 and -1.4% in 3Q20. Excluding the impact of roaming revenues, telecom revenues grew by 2.0%. Although all segments were positive yoy, the main driver of growth was the acceleration in B2B, with growth in both underlying customer revenues and from increased project-based services and equipment sales. The pandemic has accelerated the take-up of data and IT related services and companies are seeking more sophisticated solutions which help to compensate the negative impacts of the pandemic. Excluding roaming revenues, B2C revenues grew by 0.4% and B2B revenues by 7.2%. The 4.5% decline in Wholesale and Other Revenues is explained by a decline in roaming in revenues and advertising revenues over the previous year, the impact of which was partially mitigated by increased yoy revenues from low-margin mass calling services. As was the case throughout the year, roaming revenues, both incoming and outgoing, were significantly lower, by 51%, without which telco revenues would have grown by an additional close to 1 pp.

Consolidated revenues also posted a significant quarterly improvement to 354.3 million euros; however, they were still negative yoy by 3.3% due to the more than 60% yoy decline in revenues from our Cinema and Audiovisuals business due to the impacts of the pandemic on cinema ticket sales. The challenges in the cinema sector are an international trend which is set to remain in the near term with nationwide lockdown restrictions in Portugal imposed as from late January, and studios still preferring not to release major titles.

OPEX, EBITDA and Net Results

Total OPEX fell by 3.5% in 4Q20 to 222.3 million euros, combining a decline in the non-direct cost base in the quarter of 9.6% to 107.1 million euros, more than compensating for a 2.9% increase in direct costs to 115.2 million euros. Higher cost of goods sold were the primary reason for the increase in direct costs yoy due to the sale of more terminal equipment with a higher average cost and to more equipment installed within implementation of B2B projects and IT solutions. Additional impacts on direct costs related to an increase in interconnection costs led by higher levels of traffic on the network and a reduction in royalties at the cinema division due to the decline in the level of activity. The main items contributing to the decline of non-direct costs were less advertising and publicity costs, a lower level of provisions, and a reduction in external services and supplies, mainly within the cinema division.

Telco EBITDA increased 1.5% to 123.7 million euros, turning positive in the quarter and consolidating the path of improvement from the negative performance of -3.4% in 1Q20, -3.5% in 2Q20 and -1.0% in 3Q20. Consolidated EBITDA still posted negative yoy growth of 2.9% however reflecting a significantly better trajectory in comparison to the previous quarters of 2020. The drag on consolidated profitability was led by the 40.7% decline in

EBITDA from the Cinema and Audiovisuals which reached 8.3 million euros, compared with 14 million euros in 4Q19 however this represented a very positive sequential quarterly improvement due to the efforts made to offset lower revenues with cost efficiencies.

A significant decline in D&A, due to mobile network equipment impairments registered in 4Q19, led to an increase in EBIT to 25.2 million euros, offsetting the lower level of EBITDA yoy. Below EBIT, net financial costs increased driven by the interest component associated with long term lease contracts and reflecting the increased lease charges with the completion of our tower sale at the end of 3Q20. The tax provision in the quarter was 7.9 million euros higher yoy as a result of the higher level of Earnings before Income Tax and also due to an alteration in the tax rate applied to deferred tax assets in 4Q19 which led to a negative provision for tax in the quarter of 5.8 million euros (as explained in our 4Q19 earnings announcement).

CAPEX

Table 4.

CAPEX (Millions of Euros) (1)	4Q19	4Q20	4Q20 / 4Q19	2019	2020	2020 / 2019
Total CAPEX Excluding Leasing Contracts & Other Contractual Rights	99.7	115.4	15.7%	374.4	384.9	2.8%
Telco	89.7	110.8	23.6%	344.5	364.1	5.7%
% of Telco Revenues	25.9%	31.6%	5.8pp	24.9%	27.1%	2.1pp
o.w. Technical CAPEX	52.6	66.2	25.7%	203.1	214.2	5.5%
% of Telco Revenues	15.2%	18.9%	3.7pp	14.7%	15.9%	1.2pp
Baseline Telco	34.2	37.7	10.3%	136.0	139.7	2.7%
Network Expansion / Substitution and Integration Projects and Others	18.4	28.5	54.3%	67.1	74.5	11.1%
o.w. Customer Related CAPEX	37.0	44.6	20.4%	141.4	149.9	6.0%
% of Telco Revenues	10.7%	12.7%	2.1pp	10.2%	11.1%	0.9pp
Audiovisuals and Cinema Exhibition	10.0	4.6	(54.5%)	29.9	20.8	(30.2%)
Leasing Contracts & Other Contractual Rights	33.6	59.1	76.1%	69.8	94.5	35.3%
Total Group CAPEX	133.3	174.5	30.9%	444.2	479.4	7.9%

(1) CAPEX = Increase in Tangible and Intangible Fixed Assets, Contract Costs and Rights of Use

Total CAPEX (excluding leasing contracts and other contractual rights) increased to 115.4 million euros, led by an acceleration in expansionary technical CAPEX of approximately 10 million euros related mostly with our FttH deployment programme. Customer related CAPEX was also higher yoy led by increased commercial activity and an increased proportion of higher end premium equipment being installed on customer premises such as our Giga router, next generation UMA boxes and Apple TV, as discussed in the operating review. The decline in Audiovisuals and Cinema CAPEX is a result of increased efficiency in audiovisuals and of upgrade and modernization investments being put on hold, at the cinema division.

At the end of 3Q20, we completed the sale of NOS towering to Cellnex in exchange for 374 million euros received on closing of the deal in September. As a consequence, the value of lease contracts and other contractual rights increased, led by incremental lease payments to Cellnex. As explained in previous quarters and as a result of IFRS16 implementation, we have isolated operational leasing contracts and other contractual rights in the table above, to avoid quarterly accounting volatility from operating lease capitalization under the new accounting rules.

Cash Flow

Table 5.

Cash Flow (Millions of Euros)	4Q19	4Q20	4Q20 / 4Q19	2019	2020	2020 / 2019
EBITDA	135.9	132.0	(2.9%)	640.0	603.2	(5.7%)
Total CAPEX Excluding Leasings & Other Contractual Rights	(99.7)	(115.4)	15.7%	(374.4)	(384.9)	2.8%
EBITDA - Total CAPEX Excluding Leasings & Other Contractual Rights	36.2	16.6	(54.1%)	265.6	218.3	(17.8%)
% of Revenues	9.9%	4.7%	(5.2pp)	18.2%	16.0%	(2.3pp)
Non-Cash Items Included in EBITDA - CAPEX and Change in Working Capital	0.6	(0.4)	n.a.	(8.1)	(15.1)	85.7%
Leasings (Capital & Interest) (1)	(16.5)	(26.4)	60.2%	(65.0)	(75.7)	16.5%
Operating Cash Flow	20.4	(10.1)	n.a.	192.6	127.5	(33.8%)
Interest Paid	(4.2)	(1.0)	(76.4%)	(16.0)	(11.8)	(26.2%)
Income Taxes Paid	(10.2)	(13.2)	29.3%	(19.0)	(33.9)	78.6%
Disposals	0.0	0.1	190.5%	1.4	374.4	n.a.
Other Cash Movements (2)	(3.6)	(0.8)	(78.8%)	(12.2)	(11.0)	(10.3%)
Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition	2.4	(24.9)	n.a.	146.8	445.3	203.4%
Financial Investments	(0.2)	0.2	n.a.	(0.2)	2.3	n.a.
Acquisition of Own Shares	(3.2)	(2.4)	(24.6%)	(6.7)	(5.7)	(14.7%)
Dividends	0.0	0.0	n.a.	(179.6)	(142.5)	(20.7%)
Free Cash Flow	(1.0)	(27.2)	2700.1%	(39.8)	299.3	n.a.
Debt Variation Through Financial Leasing, Accruals & Deferrals & Others	(3.4)	(3.4)	0.6%	(11.0)	(7.7)	(29.8%)
Change in Net Financial Debt	4.3	30.6	n.a.	50.7	(291.6)	n.a.

(1) Includes Long Term Contracts.
(2) Includes Cash Restructuring Payments and Other Cash Movements.

Due to the discussed yoy decline in EBITDA and to an acceleration in network deployment in 4Q20, EBITDA – CAPEX before leases posted a 54.1% reduction to 16.6 million euros.

Operating Cash Flow yoy performance cannot be compared directly due to the impact of the tower sale agreement at the end of September, with 4Q20 figures including incremental lease payments without considering the proceeds from the sale, of which around 375 million euros were already received in 3Q20. Cash taxes were also high in the quarter and overall FY 2020 impacted by tax payments on account, due in 2021, which are set to revert this year. Impacts from yoy variations in other FCF items in the quarter were relatively small with total FCF before dividends essentially reflecting the variation in EBITDA and CAPEX.

An important determinant of shareholder remuneration, total FCF before dividends in FY20 amounted to 445.3 million euros, reflecting underlying Operating Cash Flow of 127.5 million euros and the proceeds already received from the tower sale. Our operating FCF resilience and reinforced capital structure provide a very solid base to meet ongoing investment commitments and maintain a sustainable level of shareholder remuneration, without compromising the strength of our balance sheet.

Consolidated Balance Sheet

Table 6.

Balance Sheet (Millions of Euros)	2019	2020	2020 / 2019
Non-current Assets	2,534.3	2,557.5	0.9%
Current Assets	553.8	615.2	11.1%
Total Assets	3,088.2	3,172.6	2.7%
Total Shareholders' Equity	1,012.3	956.2	(5.5)%
Non-current Liabilities	1,333.3	1,487.8	11.6%
Current Liabilities	742.5	728.6	(1.9)%
Total Liabilities	2,075.9	2,216.4	6.8%
Total Liabilities and Shareholders' Equity	3,088.2	3,172.6	2.7%

Capital Structure and Funding

At the end of FY20, Total Net Debt, including Leasings and Long-Term Contracts (according to IFRS16) amounted to 1,377.4 million euros. Net Financial Debt stood at 802.0 million euros with a cash and short-term investment position on the balance sheet of 153.3 million euros.

At the end of FY20, NOS also had 325 million euros in unissued commercial paper programmes.

Net Financial Debt / EBITDA After Lease Payments (last 4 quarters) now stands at 1.5x. NOS targets a leverage ratio in the range of 2x Net Financial Debt / EBITDA after lease payments, which represents a solid and conservative capital structure that NOS is committed to maintain.

The all-in average cost of debt stood at 1.6% for 4Q20, which compares with 1.3% in 4Q19. All-in Average Cost of Debt for the 4Q20 was slightly higher than previous quarters due to the excess cash position held after closing of the tower sale transaction with Cellnex. For FY20, the all-in average cost of debt was 1.3%, which compares with 1.5% for FY19.

The average maturity of debt at the end of FY20 was 2.5 years. Taking into account loans issued at a fixed rate and interest rate hedging operations in place, as at 31 December 2020, the proportion of NOS' issued debt paying interest at a fixed rate was approximately 100%.

In 4Q20, NOS became the first Telecoms Operator in Portugal to implement a sustainable finance transaction. The commercial paper line was agreed with BBVA, in the amount of 100 million euros, maturing in 2026. With this transaction, NOS tangibly links a portion of its cost of debt to its performance in Sustainability, strengthening and reflecting its strategic relevance and the commitment, at all levels of the Organization, to reach best-in-class targets in ESG indicators (Environmental, Social and Corporate Governance).

The terms agreed upon include a component relative to the ESG performance and rating of NOS, assessed by VigeoEiris. NOS ranks 5th among Telecoms companies in Europe, out of a total 41 companies rated by VigeoEiris in the Telecommunications sector. With an overall score of 60 out of 100, NOS has obtained an Advanced ESG performance level according to VigeoEiris assessment. VigeoEiris assessment covers 6 ESG domains: Company Behavior, Human Rights, Environment, Community Involvement, Human Resources and Corporate Governance. The ESG performance of NOS increased by 50% compared to the previous evaluation done in 2018, mainly in the Environmental area, reflecting a number of best practices and initiatives implemented across the company in all areas over the last few years.

Table 7.

Net Financial Debt (Millions of Euros)	2019	2020	2020 / 2019
Short Term	84.6	100.8	19.1%
Medium and Long Term	1,021.8	854.5	(16.4%)
Total Debt	1,106.4	955.3	(13.7%)
Cash and Short Term Investments	12.8	153.3	1095.7%
Net Financial Debt (1)	1,093.6	802.0	(26.7%)
Net Financial Debt / EBITDA after lease payments (last 4 quarters) (2)	1.9x	1.5x	n.a.
Leasings and Long Term Contracts	253.7	575.3	126.8%
Net Debt	1,347.3	1,377.4	2.2%
Net Debt / EBITDA	2.1x	2.3x	n.a.
Net Financial Gearing (3)	57.3%	59.2%	1.9pp

(1) Net Financial Debt = Borrowings – Leasings - Cash
(2) EBITDA After Lease Payments = EBITDA - Lease Cash Payments (Capital & Interest)
(3) Net Financial Gearing = Net Debt / (Net Debt + Total Shareholders' Equity).

Shareholder remuneration

On 10 March 2021, the Board of Directors approved a proposal to the next AGM of a dividend payment of 27.8c per share, in line with last year, representing a dividend yield of approximately 10%. The Board of Directors recognizes that following the recent sale of NOS Towering and the strength of NOS' balance Sheet, upon payment of this dividend, NOS will remain below its target net debt of 2x NFD / EBITDA AL and is solidly positioned to meet future investments. NOS remains committed to distribute an attractive level of dividends whilst maintaining a strategic focus on preserving a strong capital structure to support continued delivery of sustainable value creation for shareholders.

Subsequent Events

Changes to the Board and Executive Committee

Subsequent to the resignation of two board members, Ana Paula Garrido Marques (executive director) on 18 December 2020 and António Lobão Teles (non-executive director) on 8 January 2021, the Board of Directors on 18 January 2021 resolved to co-opt Filipa Santos Carvalho and Daniel Lopes Beato as Members of the Board of Directors, to complete the current term of office (2019-2021). The new members of the Board of Directors have also been appointed members of the Executive Committee, which now comprises seven members. The aforementioned co-optations will be submitted for ratification at the next General Meeting of Shareholders.

New state of emergency declared on 7 January

As a consequence of the increased number of new cases and deaths by COVID-19, a new state of emergency has been declared on 7 January 2021, for a period of 15 days (renewed successively up to now). Since this date, the cinema theatres have been closed to the public.

APPENDIX I

Table 8.

Operating Indicators ('000)	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
Telco (1)								
Homes Passed	4,449.5	4,494.7	4,571.1	4,612.6	4,639.5	4,689.9	4,796.0	4,806.7
Total RGUs	9,508.5	9,537.5	9,613.6	9,687.3	9,707.8	9,760.7	9,885.7	9,963.8
o.w. Consumer RGUs	8,037.7	8,062.6	8,131.5	8,196.2	8,216.2	8,247.9	8,356.3	8,395.7
o.w. Business RGUs	1,470.8	1,474.9	1,482.1	1,491.1	1,491.6	1,512.8	1,529.5	1,568.0
Mobile	4,749.5	4,769.1	4,808.8	4,851.1	4,847.1	4,869.9	4,972.0	5,037.7
Pre-Paid	1,995.0	1,994.0	2,013.1	2,008.2	1,983.2	1,957.7	1,998.1	1,991.3
Post-Paid	2,754.5	2,775.1	2,795.6	2,842.9	2,863.9	2,912.2	2,974.0	3,046.4
Pay TV Fixed Access (2)	1,326.3	1,329.7	1,347.3	1,356.0	1,360.4	1,364.5	1,374.2	1,377.5
Pay TV DTH	290.5	287.4	284.1	282.7	283.7	283.4	282.2	279.7
Fixed Voice	1,728.0	1,729.3	1,738.5	1,748.5	1,756.7	1,766.7	1,769.3	1,774.2
Broadband	1,382.5	1,389.5	1,402.0	1,414.3	1,424.5	1,439.8	1,451.5	1,457.6
Others and Data	31.7	32.5	32.9	34.8	35.5	36.4	36.5	37.2
3,4&5P Subscribers (Fixed Access)	1,170.0	1,176.7	1,198.2	1,209.4	1,216.9	1,224.7	1,236.9	1,243.2
% 3,4&5P (Fixed Access)	88.2%	88.5%	88.9%	89.2%	89.5%	89.8%	90.0%	90.3%
Convergent + Integrated RGUs	4,521.0	4,574.7	4,622.1	4,704.5	4,754.6	4,823.9	4,890.7	4,956.0
Convergent + Integrated Customers	896.1	907.1	914.8	930.7	942.3	957.5	967.6	976.7
Fixed Convergent + Integrated Customers as % of Fixed Access Customers	58.5%	59.2%	59.1%	59.8%	60.2%	61.0%	61.3%	61.7%
% Convergent + Integrated Customers	55.4%	56.1%	56.1%	56.8%	57.3%	58.1%	58.4%	58.9%
Residential ARPU / Unique Subscriber With Fixed Access (Euros)	44.9	44.9	44.6	44.7	44.2	42.3	43.4	44.2
Net Adds								
Homes Passed	55.0	45.2	76.4	41.4	27.0	50.4	106.1	10.7
Total RGUs	(23.8)	29.0	76.1	73.7	20.5	52.9	125.0	78.0
o.w. Consumer RGUs	(33.8)	24.9	68.9	64.7	20.0	31.7	108.4	39.5
o.w. Business RGUs	10.0	4.1	7.2	9.0	0.5	21.2	16.6	38.6
Mobile	(18.2)	19.6	39.7	42.3	(4.0)	22.8	102.1	65.7
Pre-Paid	(34.3)	(1.0)	19.1	(4.9)	(25.0)	(25.5)	40.4	(6.8)
Post-Paid	16.1	20.6	20.5	47.2	21.0	48.4	61.7	72.5
Pay TV Fixed Access	1.8	3.4	17.6	8.7	4.4	4.2	9.6	3.3
Pay TV DTH	(8.4)	(3.0)	(3.3)	(1.4)	0.9	(0.2)	(1.2)	(2.6)
Fixed Voice	(2.6)	1.3	9.2	9.9	8.2	10.1	2.6	4.9
Broadband	3.4	7.0	12.6	12.2	10.2	15.3	11.7	6.1
Others and Data	0.1	0.8	0.4	1.9	0.7	0.8	0.2	0.7
3,4&5P Subscribers (Fixed Access)	6.8	6.8	21.4	11.2	7.6	7.8	12.2	6.3
Convergent + Integrated RGUs	38.3	53.6	47.4	82.4	50.1	69.3	66.8	65.3
Convergent + Integrated Customers	6.3	11.0	7.7	15.9	11.6	15.2	10.1	9.1

(1) Portuguese Operations.
(2) Fixed Access Subscribers include customers served by the HFC, FTTH and ULL networks and indirect access customers.

APPENDIX II

Table 9.

Profit and Loss Statement (Millions of Euros)	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020
Operating Revenues	355.9	365.6	370.5	366.4	1,458.4	345.4	321.3	346.9	354.3	1,367.9
Telco	340.4	347.0	347.4	346.6	1,381.4	332.9	319.9	342.7	350.2	1,345.7
Consumer Revenues	244.2	244.7	248.3	253.1	990.3	244.0	236.3	248.3	253.3	981.8
Business Revenues	72.1	69.6	71.3	75.4	288.4	72.0	67.0	70.7	79.6	289.2
Wholesale and Others	24.1	32.7	27.8	18.2	102.8	17.0	16.6	23.7	17.4	74.7
Audiovisuals & Cinema (1)	25.8	29.1	33.6	30.3	118.8	21.8	8.9	11.1	11.9	53.8
Others and Eliminations	(10.3)	(10.5)	(10.5)	(10.6)	(41.8)	(9.3)	(7.6)	(6.9)	(7.9)	(31.6)
Operating Costs Excluding D&A	(195.7)	(194.4)	(197.8)	(230.5)	(818.4)	(192.7)	(163.4)	(186.4)	(222.3)	(764.7)
Direct Costs	(100.7)	(105.5)	(101.4)	(112.0)	(419.7)	(97.7)	(78.2)	(99.0)	(115.2)	(390.1)
Non-Direct Costs (2)	(95.0)	(88.9)	(96.4)	(118.5)	(398.8)	(95.0)	(85.1)	(87.4)	(107.1)	(374.6)
EBITDA (3)	160.2	171.2	172.7	135.9	640.0	152.7	157.9	160.6	132.0	603.2
EBITDA Margin	45.0%	46.8%	46.6%	37.1%	43.9%	44.2%	49.1%	46.3%	37.3%	44.1%
Telco	146.9	158.2	157.0	121.9	583.9	141.8	152.6	155.5	123.7	573.6
EBITDA Margin	43.1%	45.6%	45.2%	35.2%	42.3%	42.6%	47.7%	45.4%	35.3%	42.6%
Cinema Exhibition and Audiovisuals	13.3	13.0	15.7	14.0	56.0	10.9	5.3	5.1	8.3	29.6
EBITDA Margin	51.6%	44.8%	46.7%	46.3%	47.2%	50.1%	58.8%	46.0%	69.9%	55.1%
Depreciation and Amortization	(97.3)	(103.1)	(97.5)	(123.3)	(421.3)	(100.5)	(101.2)	(103.6)	(104.6)	(409.8)
(Other Expenses) / Income	(3.3)	(3.8)	(6.9)	(3.9)	(17.9)	(45.7)	(3.8)	(4.3)	(2.2)	(56.0)
Operating Profit (EBIT) (4)	59.5	64.3	68.3	8.7	200.7	6.5	52.9	52.7	25.2	137.3
Share of profits (losses) of associates and joint ventures	0.2	1.1	1.0	(3.3)	(1.0)	(8.8)	(0.9)	0.6	0.0	(9.1)
(Financial Expenses) / Income	(6.4)	(5.9)	(6.8)	(5.6)	(24.7)	(5.7)	(5.6)	(5.3)	(10.1)	(26.6)
Income Before Income Taxes	53.3	59.4	62.5	(0.3)	175.0	(8.0)	46.4	48.1	15.2	101.6
Income Taxes	(11.4)	(11.9)	(15.1)	5.8	(32.6)	(2.9)	(7.5)	(4.0)	(2.1)	(16.3)
Net Income Before Associates & Non-Controlling Interests	41.7	46.5	46.4	8.8	143.4	(2.0)	39.9	43.5	13.1	94.3
Income From Continued Operations	41.9	47.6	47.4	5.5	142.4	(10.9)	38.9	44.1	13.1	85.2
o.w. Attributable to Non-Controlling Interests	0.1	0.2	(0.0)	0.0	0.3	0.4	0.2	0.0	(0.2)	0.4
Discontinued Operations	0.4	(0.0)	0.6	(0.1)	0.8	0.1	6.3	0.0	0.0	6.4
Net Income	42.5	47.7	47.9	5.4	143.5	(10.4)	45.3	44.1	12.9	92.0

(1) Includes cinema operations in Mozambique.
(2) Non-Direct Costs Include Commercial & Customer Related Costs and Operating & Structure Costs
(3) EBITDA = Operating Profit + Depreciation and Amortization + Integration Costs + Net Losses/Gains on Disposal of Assets + Other Non-Recurrent Losses/Gains
(4) EBIT = Income Before Financials and Income Taxes.

Table 10.

CAPEX (Millions of Euros) [1]	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020
Total CAPEX Excluding Leasing Contracts & Other Contractual Rights	87.3	95.2	92.2	99.7	374.4	88.2	83.5	97.8	115.4	384.9
Telco	81.7	89.5	83.6	89.7	344.5	81.8	79.4	92.0	110.8	364.1
% of Telco Revenues	24.0%	25.8%	24.1%	25.9%	24.9%	24.6%	24.8%	26.9%	31.6%	27.1%
o.w. Technical CAPEX	44.9	58.1	47.5	52.6	203.1	48.5	48.0	51.6	66.2	214.2
% of Telco Revenues	13.2%	16.7%	13.7%	15.2%	14.7%	14.6%	15.0%	15.0%	18.9%	15.9%
Baseline Telco	32.8	38.5	30.6	34.2	136.0	29.8	39.8	32.4	37.7	139.7
Projects and Others	12.1	19.6	16.9	18.4	67.1	18.7	8.2	19.2	28.5	74.5
o.w. Customer Related CAPEX	36.8	31.4	36.1	37.0	141.4	33.4	31.4	40.5	44.6	149.9
% of Telco Revenues	10.8%	9.1%	10.4%	10.7%	10.2%	10.0%	9.8%	11.8%	12.7%	11.1%
Audiovisuals and Cinema Exhibition	5.5	5.6	8.7	10.0	29.9	6.4	4.1	5.8	4.6	20.8
Leasing Contracts & Other Contractual Rights	3.7	21.4	11.2	33.6	69.8	11.3	12.9	11.3	59.1	94.5
Total Group CAPEX	91.0	116.5	103.4	133.3	444.2	99.5	96.4	109.1	174.5	479.4

(1) CAPEX = Increase in Tangible and Intangible Fixed Assets, Contract Costs and Rights of Use

Table 11.

Cash Flow (Millions of Euros)	1Q19	2Q19	3Q19	4Q19	2019	1Q20	2Q20	3Q20	4Q20	2020
EBITDA	160.2	171.2	172.7	135.9	640.0	152.7	157.9	160.6	132.0	603.2
Total CAPEX Excluding Leasings & Other Contractual Rights	(87.3)	(95.1)	(92.2)	(99.7)	(374.4)	(88.2)	(83.5)	(97.8)	(115.4)	(384.9)
EBITDA - Total CAPEX Excluding Leasings & Other Contractual Rights	72.9	76.1	80.4	36.2	265.6	64.5	74.3	62.8	16.6	218.3
% of Revenues	20.5%	20.8%	21.7%	9.9%	18.2%	18.7%	23.1%	18.1%	4.7%	16.0%
Non-Cash Items Included in EBITDA - CAPEX and Change in Working Capital	(7.8)	4.7	(5.6)	0.6	(8.1)	(4.5)	5.0	(15.1)	(0.4)	(15.1)
Leasings (Capital & Interest) [1]	(16.0)	(15.6)	(16.9)	(16.5)	(65.0)	(15.6)	(16.9)	(16.8)	(26.4)	(75.7)
Operating Cash Flow	49.1	65.2	57.9	20.4	192.6	44.4	62.4	30.8	(10.1)	127.5
Interest Paid	(3.0)	(5.9)	(3.0)	(4.2)	(16.0)	(2.6)	(5.3)	(2.9)	(1.0)	(11.8)
Income Taxes Paid	(0.4)	(0.7)	(7.6)	(10.2)	(19.0)	(3.6)	(0.3)	(16.7)	(13.2)	(33.9)
Disposals	0.4	0.4	0.5	0.0	1.4	0.0	0.1	374.2	0.1	374.4
Other Cash Movements [2]	(3.3)	(1.9)	(3.4)	(3.6)	(12.2)	(3.6)	(3.3)	(3.3)	(0.8)	(11.0)
Total Free Cash-Flow Before Dividends, Financial Investments and Own Shares Acquisition	42.9	57.1	44.4	2.4	146.8	34.6	53.5	382.1	(24.9)	445.3
Financial Investments	0.0	0.0	0.0	(0.2)	(0.2)	0.0	1.8	0.3	0.2	2.3
Acquisition of Own Shares	0.0	(3.5)	0.0	(3.2)	(6.7)	0.0	(2.9)	(0.5)	(2.4)	(5.7)
Dividends	0.0	(179.6)	0.0	0.0	(179.6)	0.0	0.0	(142.5)	0.0	(142.5)
Free Cash Flow	42.9	(126.0)	44.4	(1.0)	(39.8)	34.6	52.5	239.4	(27.2)	299.3
Debt Variation Through Financial Leasing, Accruals & Deferrals & Others	(3.4)	(0.8)	(3.4)	(3.4)	(11.0)	(3.1)	0.2	(1.5)	(3.4)	(7.7)
Change in Net Financial Debt	(39.5)	126.9	(41.0)	4.3	50.7	(31.5)	(52.7)	(237.9)	30.6	(291.6)

(1) Includes Long Term Contracts.
(2) Includes Cash Restructuring Payments and Other Cash Movements.

Table 12.

Net Financial Debt (Millions of Euros)	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20
Short Term	180.3	248.0	171.6	84.6	23.1	134.8	97.2	100.8
Medium and Long Term	826.1	893.6	948.8	1,021.8	1,104.4	891.6	854.6	854.5
Total Debt	1,006.4	1,141.6	1,120.4	1,106.4	1,127.5	1,026.4	951.8	955.3
Cash and Short Term Investments	3.0	11.3	31.2	12.8	65.4	17.1	180.3	153.3
Net Financial Debt (1)	1,003.4	1,130.3	1,089.3	1,093.6	1,062.1	1,009.4	771.5	802.0
Net Financial Debt / EBITDA after lease payments (last 4 quarters) (2)	1.8x	2.0x	1.9x	1.9x	1.9x	1.8x	1.4x	1.5x
Leasings and Long Term Contracts	240.6	245.8	239.8	253.7	249.0	210.8	576.4	575.3
Net Debt	1,244.0	1,376.1	1,329.1	1,347.3	1,311.1	1,220.2	1,347.9	1,377.4
Net Debt / EBITDA	2.0x	2.2x	2.1x	2.1x	2.1x	2.0x	2.2x	2.3x
Net Financial Gearing (3)	53.3%	59.0%	57.0%	57.3%	56.8%	57.7%	59.0%	59.2%

(1) Net Financial Debt = Borrowings – Leasings - Cash

(2) EBITDA After Lease Payments = EBITDA - Lease Cash Payments (Capital & Interest)

(3) Net Financial Gearing = Net Debt / (Net Debt + Total Shareholders' Equity).

DISCLAIMER

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