

● Be better every day

Q3 2019 Group Results

November 19, 2019

MTS

SAFE HARBOR

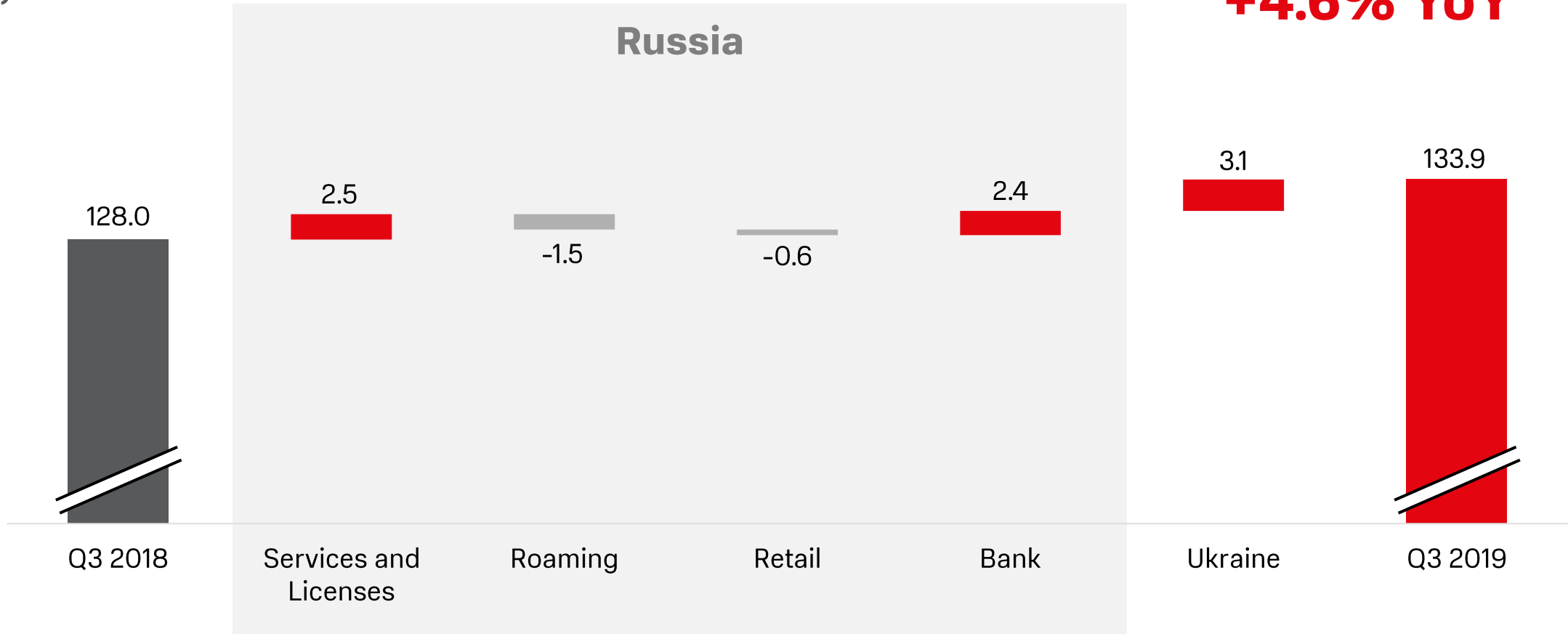
Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of MTS, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify forward looking statements by terms such as “expect,” “believe,” “anticipate,” “estimate,” “intend,” “will,” “could,” “may” or “might,” and the negative of such terms or other similar expressions. We wish to caution you that these statements are only predictions and that actual events or results may differ materially. We do not undertake or intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. We refer you to the documents MTS files from time to time with the U.S. Securities and Exchange Commission, specifically the Company’s most recent Form 20-F. These documents contain and identify important factors, including those contained in the section captioned “Risk Factors” that could cause the actual results to differ materially from those contained in our projections or forward-looking statements, including, among others, the severity and duration of current economic and financial conditions, including volatility in interest and exchange rates, commodity and equity prices and the value of financial assets; the impact of Russian, U.S. and other foreign government programs to restore liquidity and stimulate national and global economies, our ability to maintain our current credit rating and the impact on our funding costs and competitive position if we do not do so, strategic actions, including acquisitions and dispositions and our success in integrating acquired businesses, potential fluctuations in quarterly results, our competitive environment, dependence on new service development and tariff structures, rapid technological and market change, acquisition strategy, risks associated with telecommunications infrastructure, governmental regulation of the telecommunications industries and other risks associated with operating in Russia and the CIS, volatility of stock price, financial risk management and future growth subject to risks.

GROUP PERFORMANCE

revenue

Group revenue*
(RUB bn)

+4.6% YoY



GROUP PERFORMANCE

OIBDA

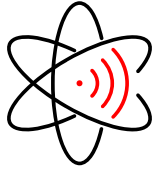
Group OIBDA and OIBDA margin*
(RUB bn, %)

+5.9% YoY



*Totals may add up differently due to rounding

KEY BUSINESS VERTICALS



core TELECOM

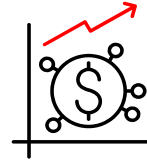
- Russia's market leader in mobile connectivity
- Ongoing investments in network coverage and quality
- Paving way for 5G rollout

>100m

mobile subscribers

>₽480bn

revenue in 2018



growth FINTECH

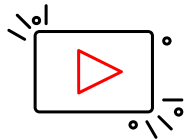
- Rapid portfolio growth while controlling risk
- Capturing x-selling opportunities across mobile and retail
- Leveraging Big Data

~2m

active MTS Bank clients

top5

Russian bank by loan portfolio growth rate



engagement MEDIA

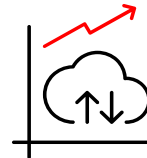
- Strong position across distribution spectrum: cable+IPTV, satellite, OTT/mobile
- Diversified, disciplined content strategy

~4m

TV users

top3

by TV subscribers in Russia (IPTV, satellite and cable)



growth B2B DIGITAL

- Focus on capturing share in fast-growing Cloud market
- Russia's largest IoT network
- Tailored integration and industrial automation solutions

>660

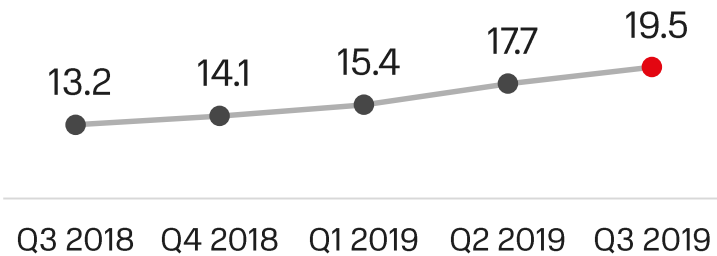
#CloudMTS enterprise customers

62

Russian regions with NB-IoT coverage

ECOSYSTEM DEVELOPMENTS

1M active customers of MyMTS (m)



Cashback

- Cashback program reached 5m users in October 2019
- MTS Cash Back card line launched June '19
 - Integration into MyMTS
 - Virtual card ready to use in seconds
 - App-based application & approval
 - Seamless integration with Apple/Google pay



MTS Live Arena

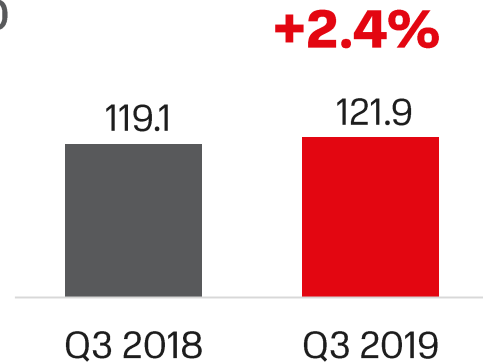
- Planned to open in 2020
- 10-year branding agreement
- Complimentary to e-ticketing, live experiential
- Platform for brand positioning, product promotion



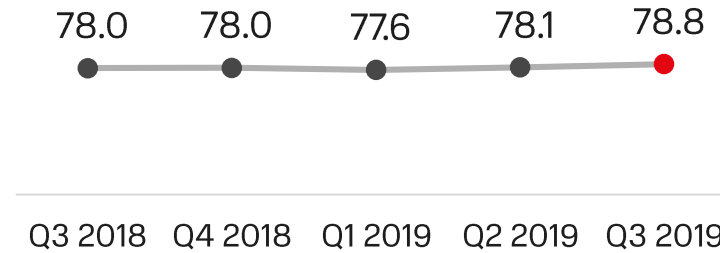
RUSSIA

financial and operating results

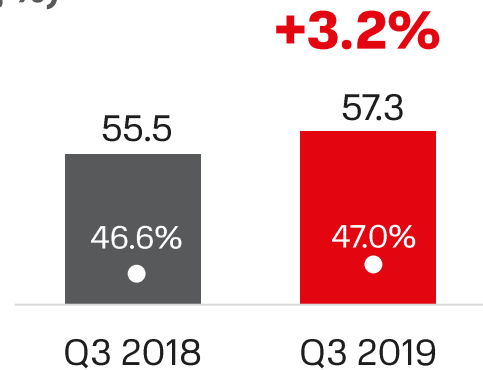
Revenue
(RUB bn)



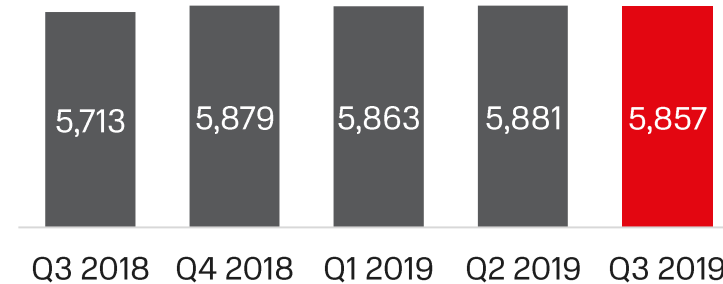
3M subscriber base
(m)



OIBDA and OIBDA margin
(RUB bn, %)



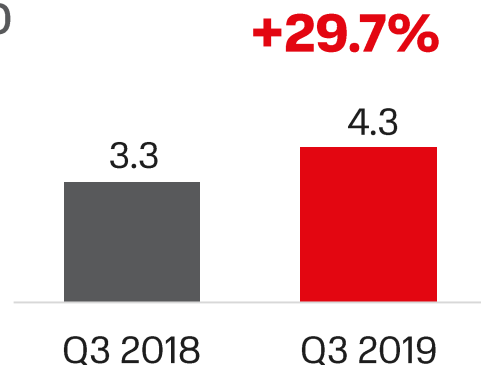
Retail footprint*
(# of stores)



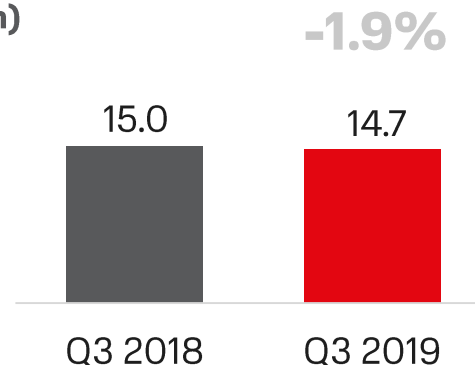
UKRAINE, ARMENIA and BELARUS

financial results

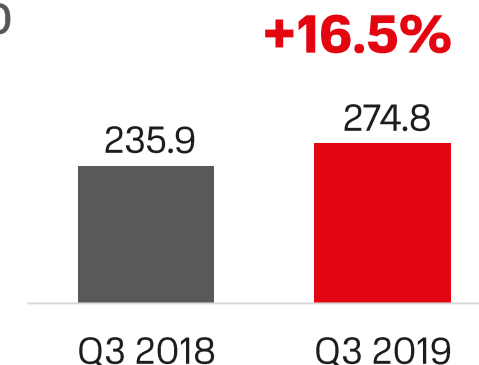
Ukraine Revenue
(UAH bn)



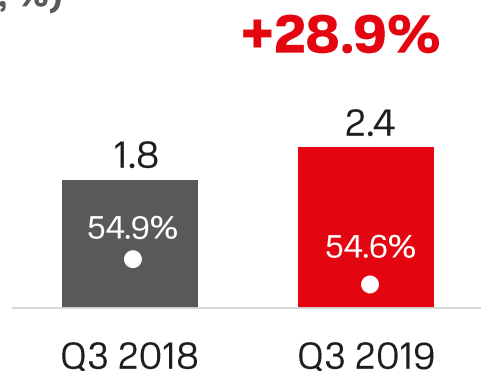
Armenia Revenue
(AMD bn)



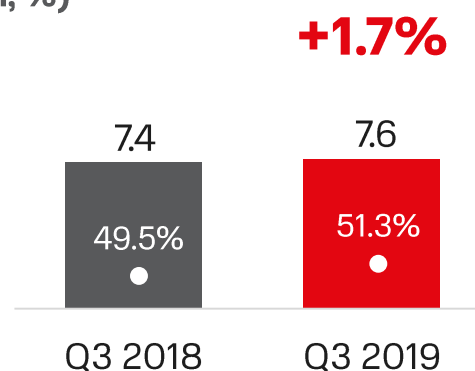
Belarus Revenue*
(BYN m)



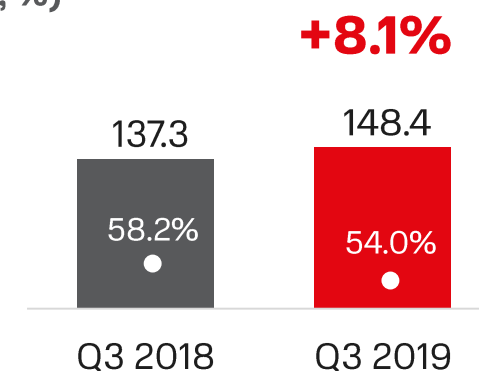
Ukraine OIBDA and OIBDA margin
(UAH bn, %)



Armenia OIBDA and OIBDA margin
(AMD bn, %)



Belarus OIBDA and OIBDA margin*
(BYN m, %)

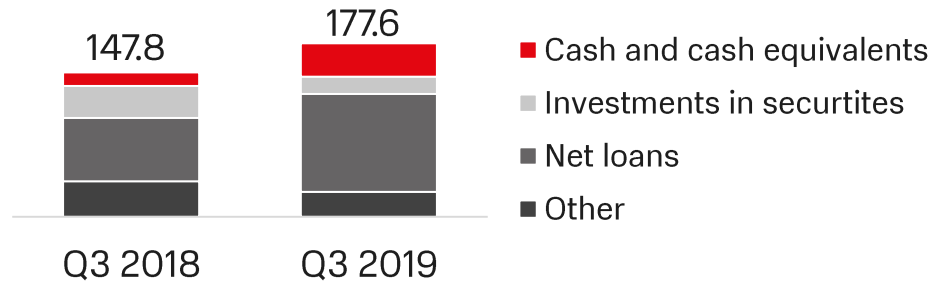


MTS BANK

key highlights*

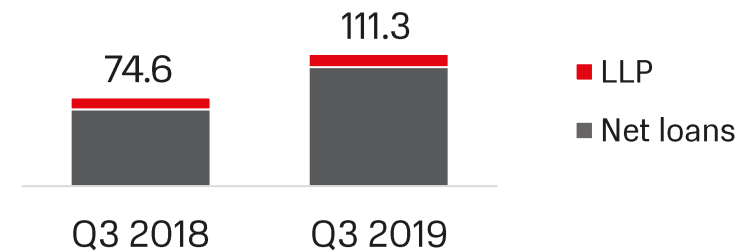
Assets (RUB bn)

+20.1%



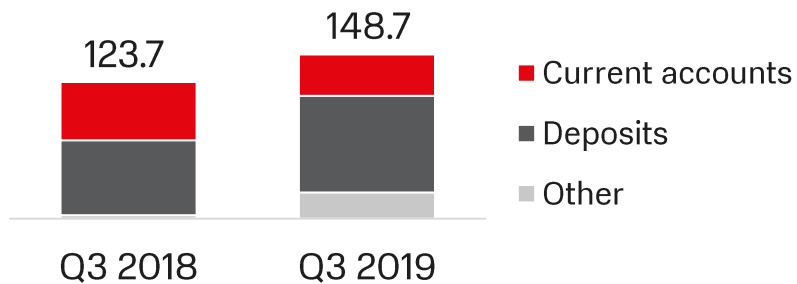
Gross loans (RUB bn)

+49.1%



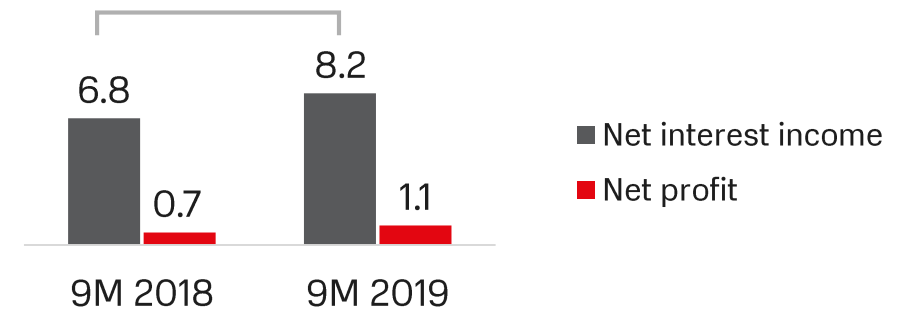
Funding (RUB bn)

+20.2%



Net interest income and net profit (RUB bn)

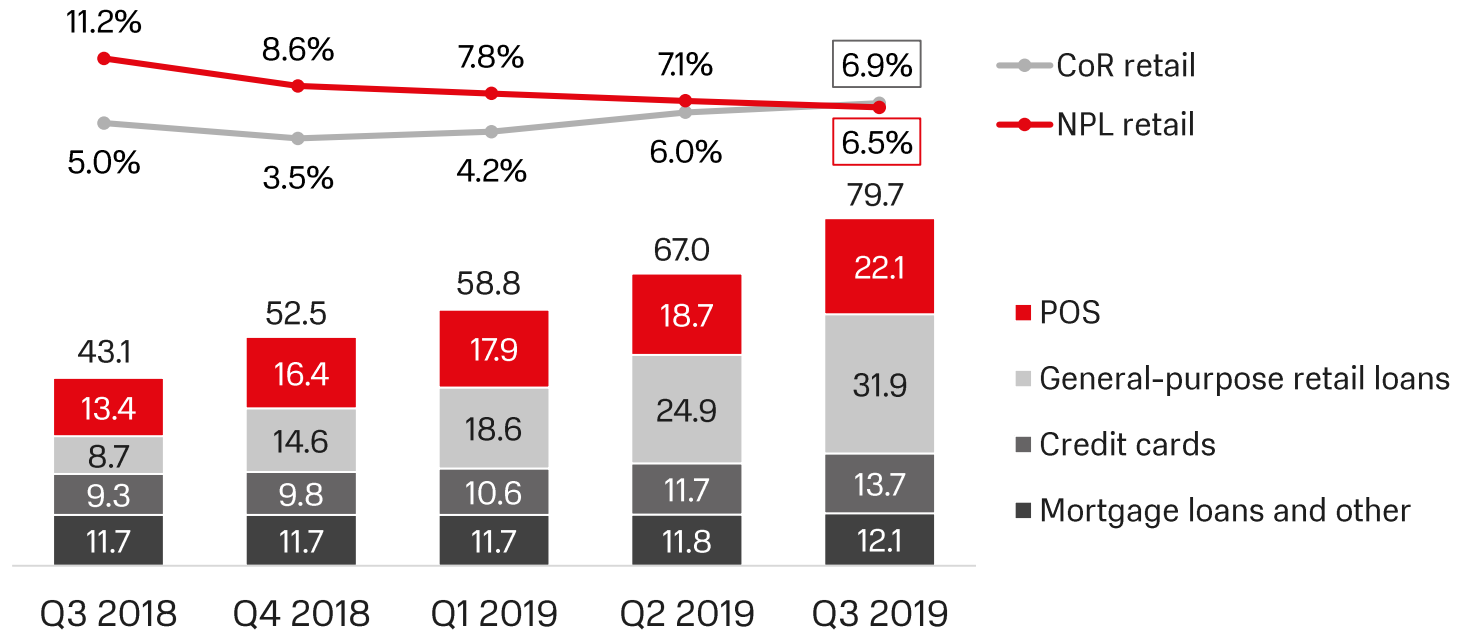
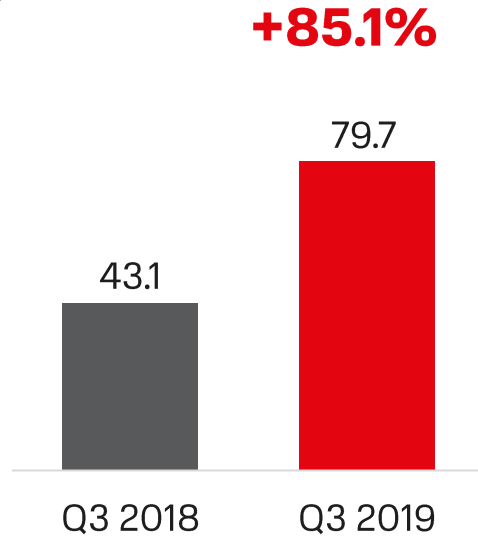
+19.8%



MTS BANK

retail loan portfolio*

Gross retail loans (RUB bn)



Key trends and new products

- In Q3 2019, MTS Bank was recognized as a top-5 Russian bank for point-of-sale loans**, reflecting the Bank's efforts to provide attractive financing offers to drive sales through the MTS retail network.
- At the end of September, MTS Bank had successfully grown its customer base to 1.9 million users, approaching the critical threshold of 2 million active clients set as a strategic goal for 2019.
- The Bank also successfully carried out its first nationwide TV advertising campaign to actively market its recently launched virtual, debit, and credit card products under the MTS Cash Back loyalty brand.



*Source: MTS Group consolidated data

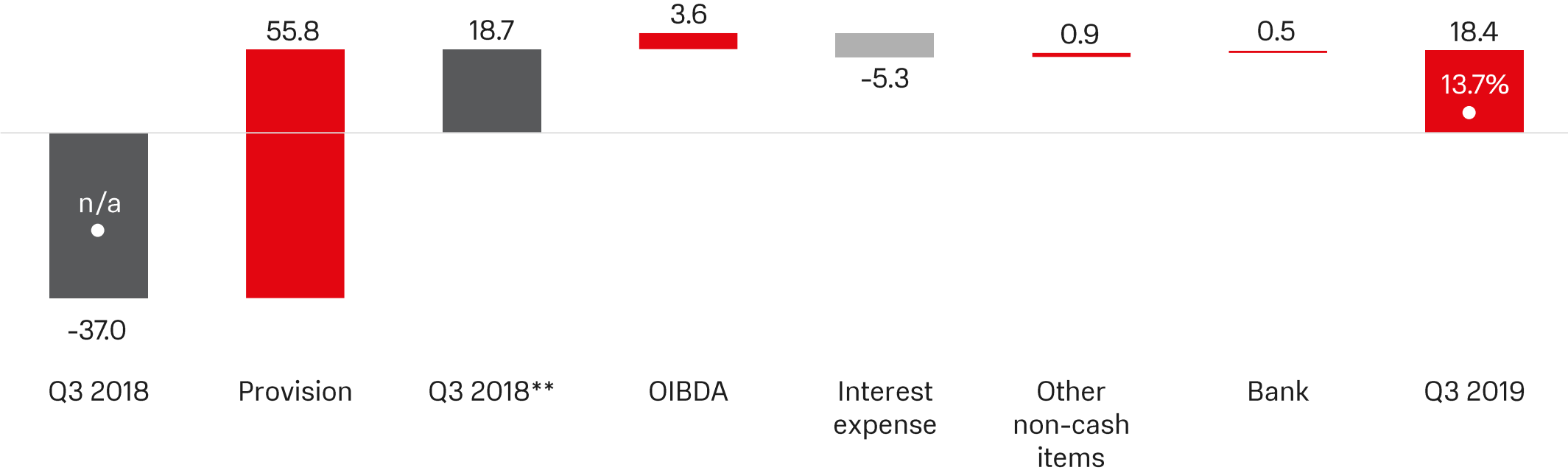
**Frank Research Group

GROUP PERFORMANCE

net profit

Group net profit and net profit margin*
(RUB bn, %)

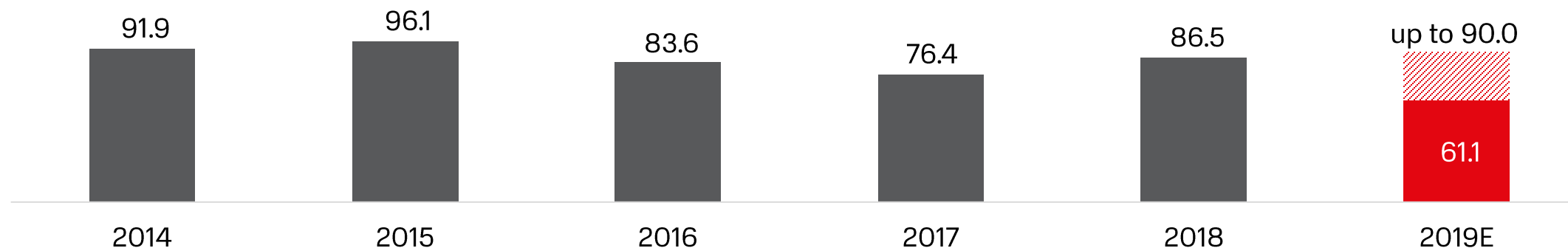
n/a



*Totals may add up differently due to rounding
**Excluding provision

GROUP CAPEX (cash CAPEX)

Cash CAPEX (RUB bn)



	9M 2019		9M 2018	
	Cash Capex (RUB bn)	Cash Capex/Sales (%)	Cash Capex (RUB bn)	Cash Capex/Sales (%)
Russia	54.2	15.6%	49.3	15.1%
Ukraine*	6.3	22.0%	5.7	26.5%
Armenia**	0.6	10.9%	0.4	8.0%
Group*, **	61.1	16.2%	55.4	15.8%

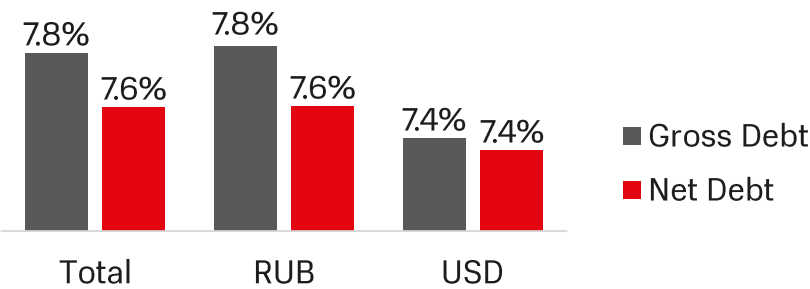
GROUP DEBT

at the end of Q3 2019*

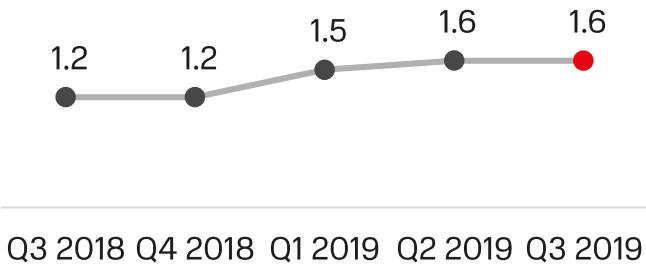
Net debt factor analysis **
(RUB bn)



Weighted average interest rates
(%)



Net debt/LTM Adjusted OIBDA*** dynamics



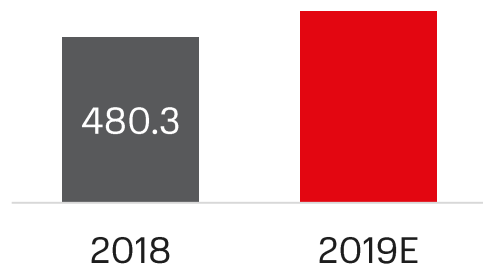
*Net of lease obligations
 **Including FOREX hedging in the amount of USD 300.0m as of September 30, 2019
 ***Excluding the effects of IFRS 15 and 16

GUIDANCE

amended outlook for 2019

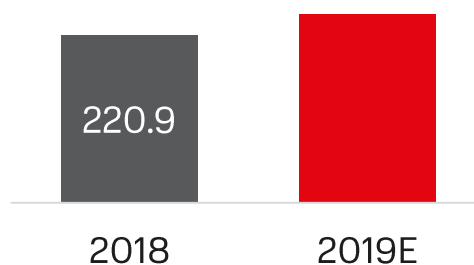
Revenue
(RUB bn)

+6-7%



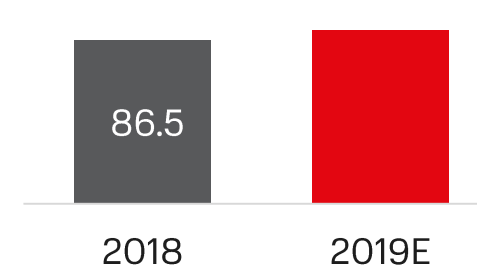
OIBDA
(RUB bn)

+4-5%



CAPEX
(RUB bn)

≤RUB90bn



Revenue. Key factors

- Stable competitive environment in Russia;
- Consolidation of MTS Bank;
- Rising data consumption and weaker voice usage;
- Changes in the regulatory environment;
- High base effect of 2018 in retail sales; and
- Continued growth in UAH-denominated revenues in Ukraine; and
- Service revenues in other foreign subsidiaries and volatility in relation to the Russian ruble.

OIBDA. Key factors

- Market sentiment and the prospective growth in usage of high-value products;
- Reduced SIM card sales;
- High base effect of 2018 and positive one-off in Q1 2019;
- Changes in the regulatory environment;
- Increases in labor costs; and
- Macroeconomic developments and currency volatility throughout our markets of operation.

CAPEX. Key factors

- Further LTE network improvement;
- Infrastructure and spectrum sharing projects in Russia;
- Roll-out of LTE services in Ukraine;
- Evolution of commercial 5G solutions and introduction into Russian market; and
- Continued investments in digital products and services.

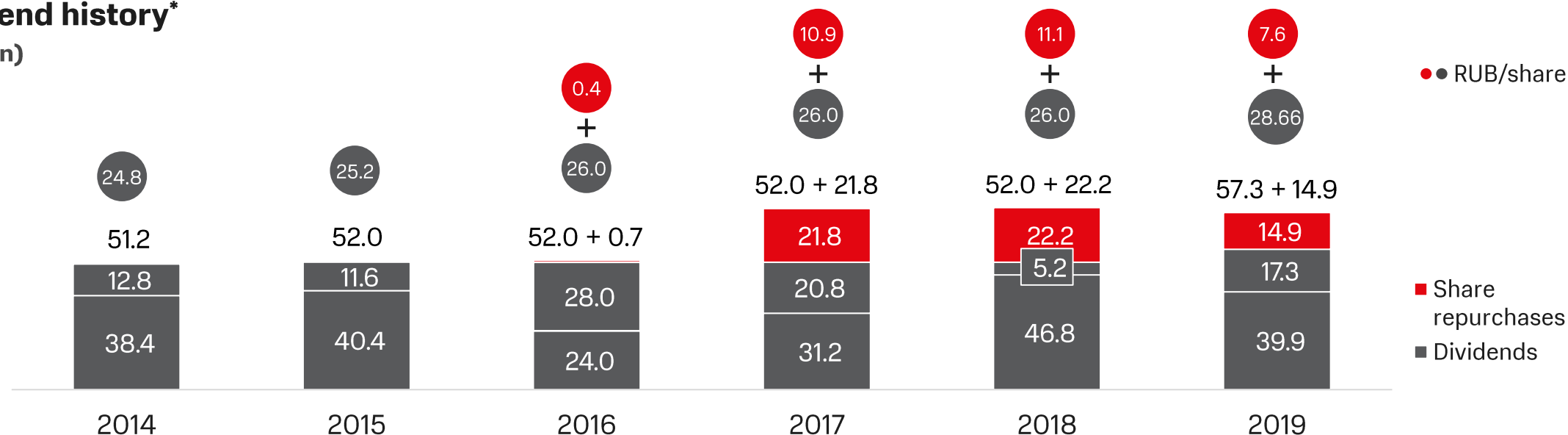
Yarovaya law: Current MTS estimate of the additional investments required to comply with the Yarovaya law is RUB 50 bn.

SHAREHOLDER RETURN

dividends and buyback programs

Dividend history*

(RUB bn)



Recent developments

- In March 2019, the Board of Directors approved a new dividend policy. Under the policy, MTS will seek to pay at least RUB 28.0 per ordinary MTS share (RUB 56.0 per ADR) per calendar year. Payments will continue to be made on a semi-annual basis.
- In June, shareholders voting at the AGM approved annual dividends of RUB 19.98 per ordinary MTS share (RUB 39.96 per ADR), or a total of RUB 39.9 billion (RUB 39,927,310,941.78), based on the full-year 2018 financial results.
- In September, EGM approved semi-annual dividends of RUB 8.68 per ordinary MTS share (RUB 17.36 per ADR), or a total RUB 17.3 billion (RUB 17,345,798,747.48), based on H1 2019 financial results.

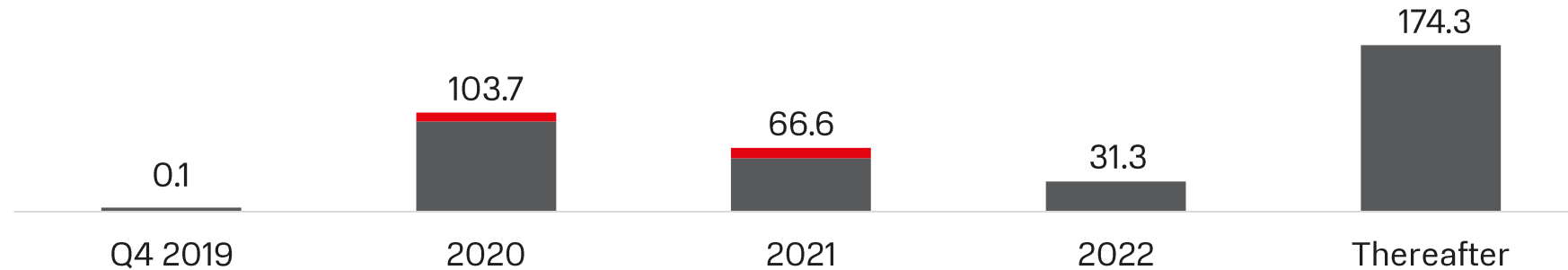
Q&A

Thank you!

APPENDIX

debt repayment and structure*

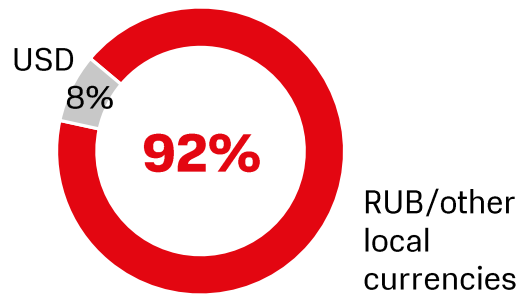
Debt repayment schedule (RUB bn)



Total group debt**
RUB 376.0bn

■ Bonds BO-01, BO-02 ruble bonds contain put options that as of September 30, 2019, MTS expected to be exercised in March 2020 and in March 2021 respectively

Gross debt structure***



Net debt structure***

