

The MTS logo is a vertical red bar on the left side of the slide, with the letters 'MTS' written vertically in white.

Mobile TeleSystems

MTS Q3 2021 Results

November 17, 2021

ir.mts.ru

Cautionary statement

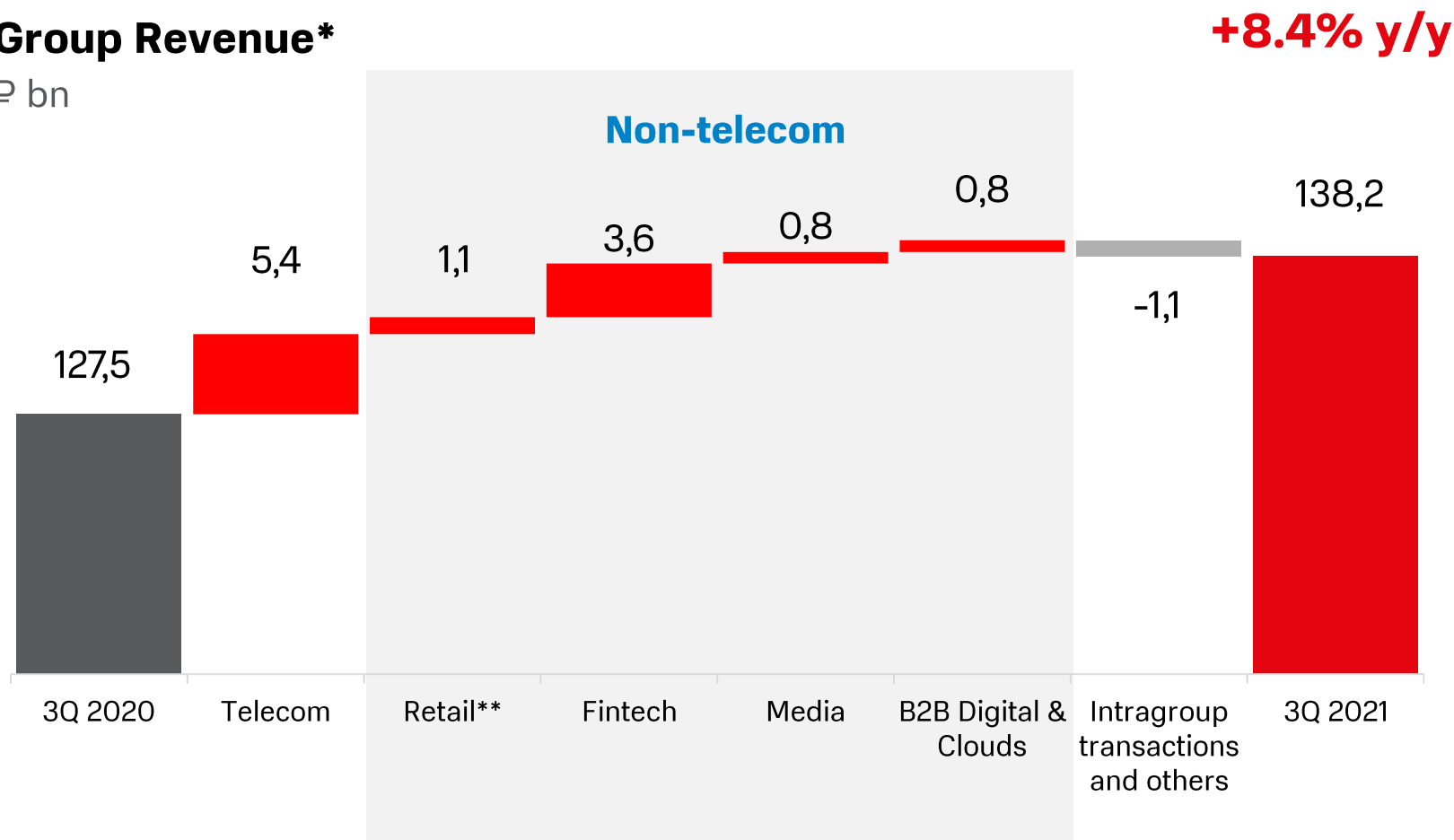
Some of the information in this presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of MTS, as defined in the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. You can identify forward 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.

Top-line growth powered by segments beyond connectivity

Group Revenue*

₽ bn



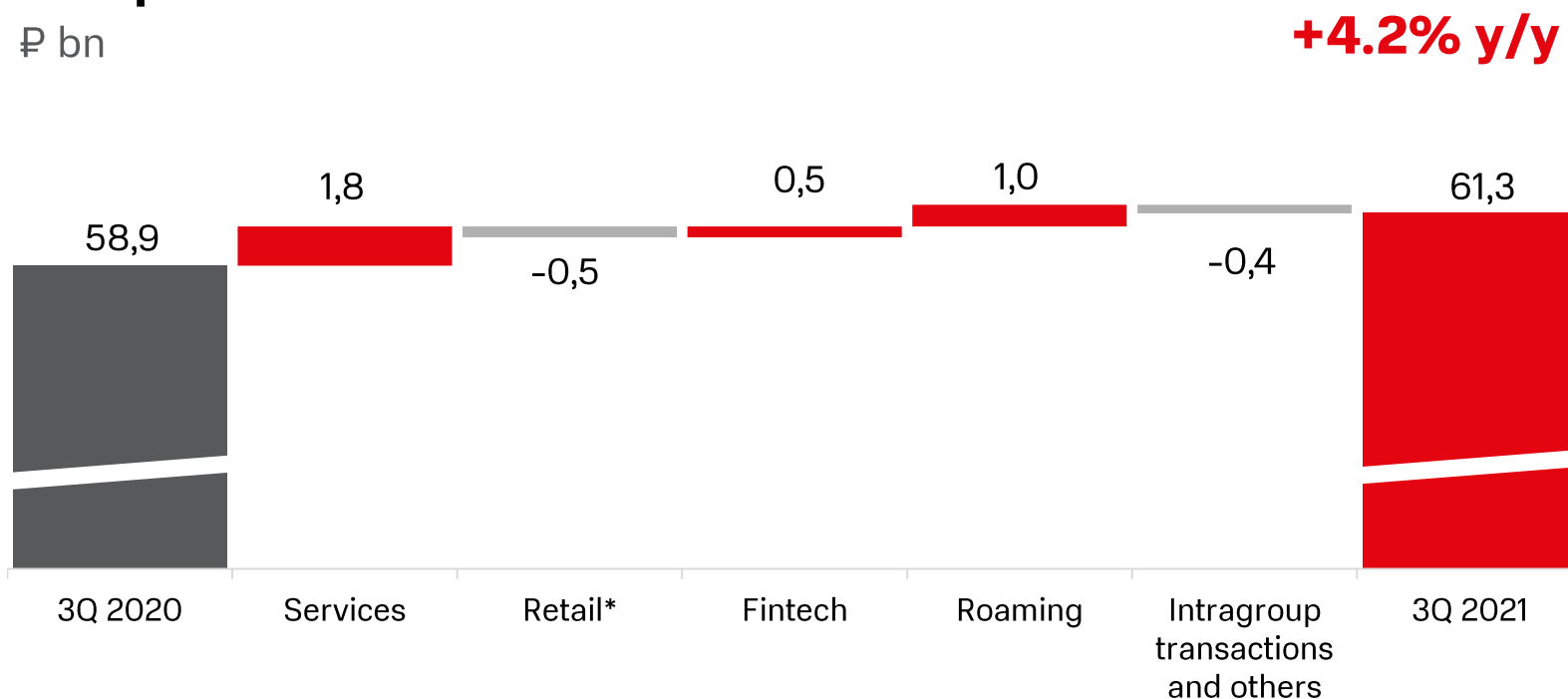
Commentary

- Group revenue increased 8.4% year-over-year to reach RUB 138.2 bn with positive contributions coming from all business verticals.
- Areas beyond connectivity delivered more than half of the year-over-year upside, reinforcing MTS's track record of balanced growth across both core telecom services as well as adjacent segments.
- Fintech services were the largest driver beyond telecom, with MTS Bank continuing to see robust double-digit growth on the back of lending and fees & commissions.

Telecom, Fintech driving upside in OIBDA

Group OIBDA

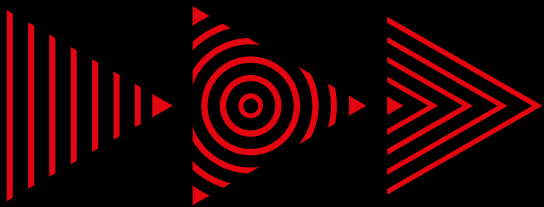
₽ bn



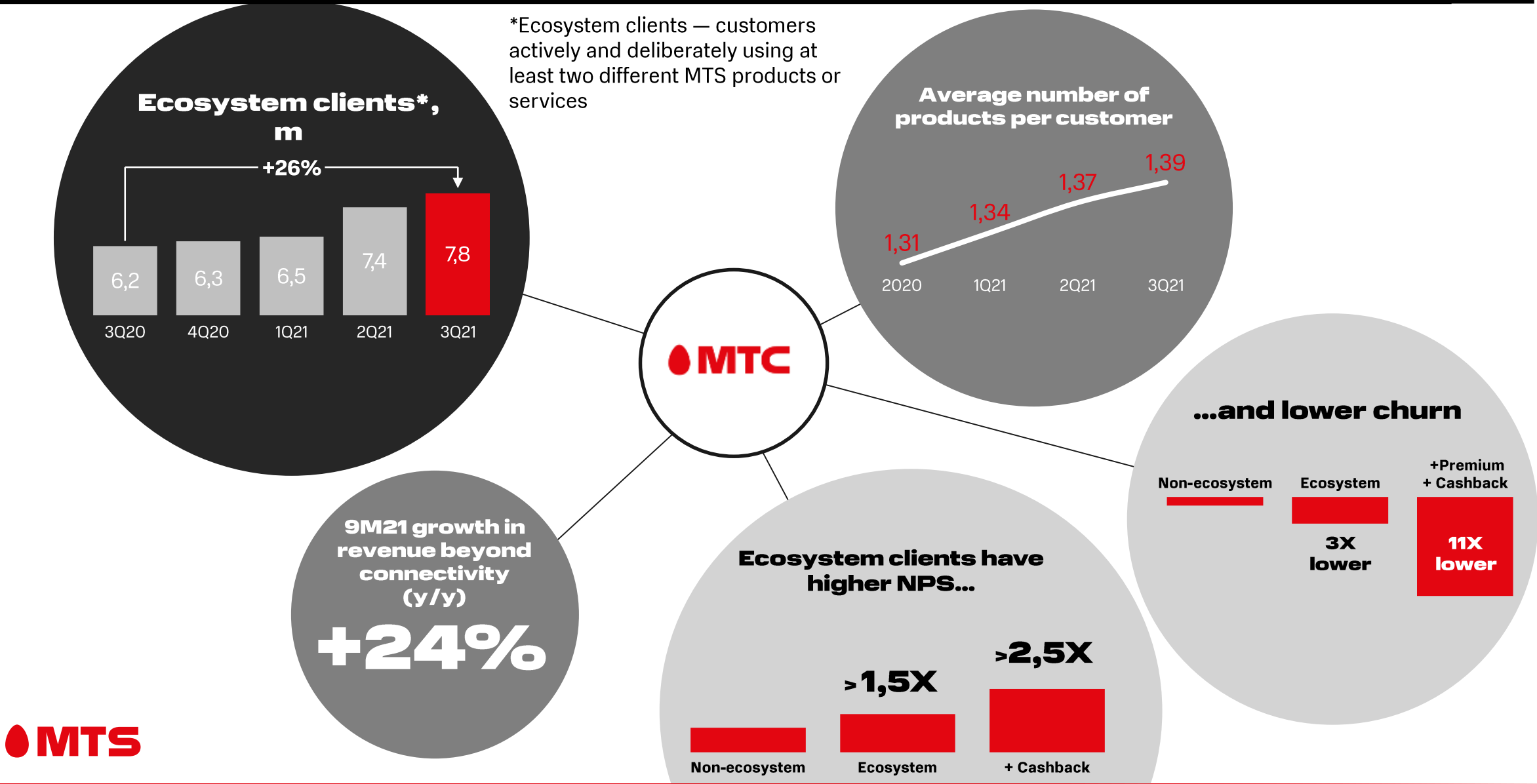
Commentary

- Group OIBDA saw solid growth of 4.2% year-over-year to reach RUB 61.3 bn for the quarter, with notable positive contributions from core services (including roaming) as well as Fintech.
- At the same time, OIBDA growth was constrained by headwinds in Retail, including margin compression in devices and accessories, reflecting shifting consumer preferences toward premium-brand smartphones.

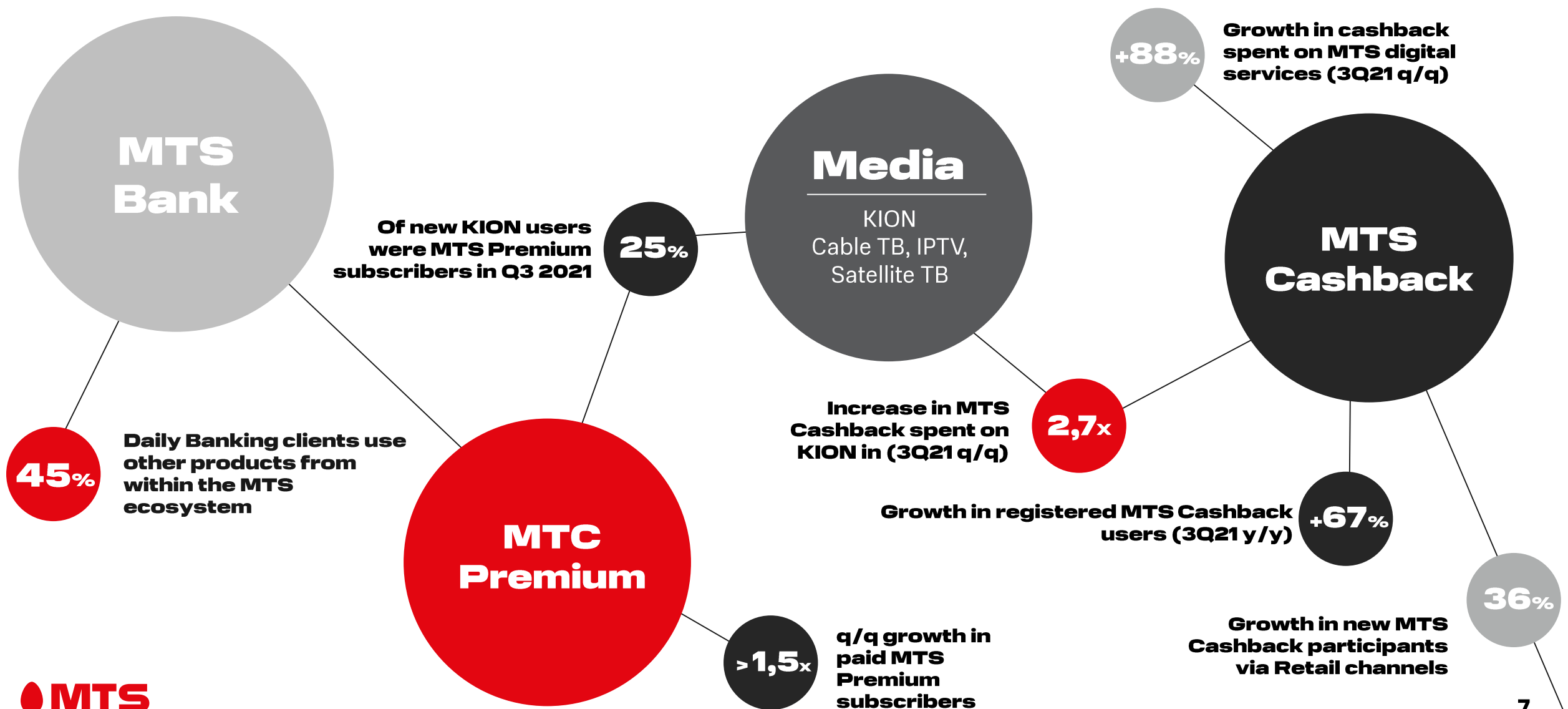
ECOSYSTEM & MEDIA UPDATE



Growing ecosystem customer base



Ecosystem effects

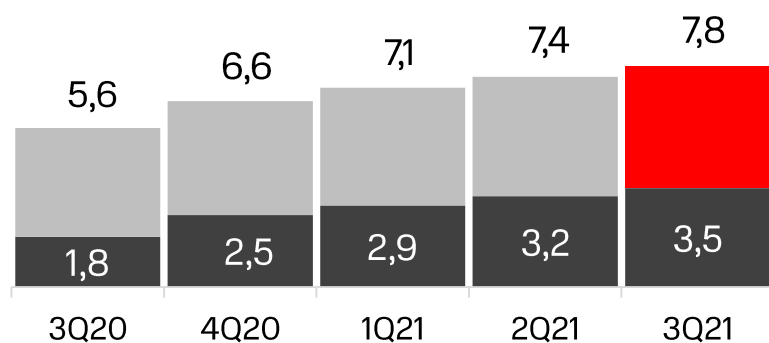


Media – steadily gaining traction in streaming video

Media Viewership*

m

+8.8% OTT q/q

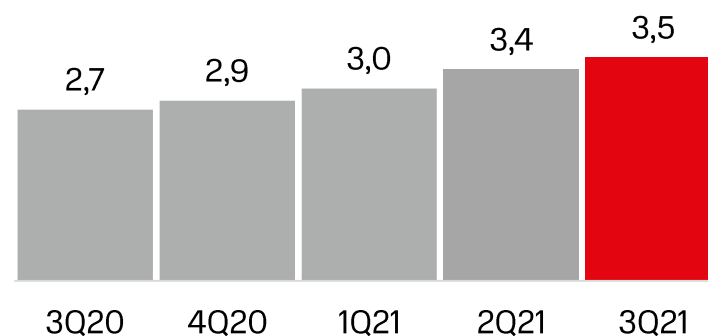


■ OTT ■ Other (IPTV, sat, etc.)

Media Revenue**

₺ bn

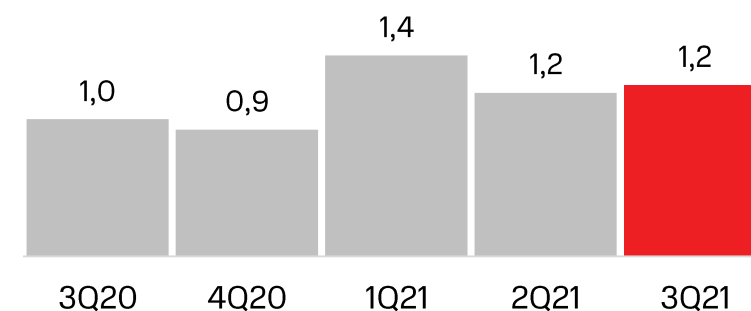
+30% y/y



Media OIBDA***

₺ bn

+25% y/y



Ecosystem synergy – MTS Premium subs accounted for 27% of new KION users in Q3 2021

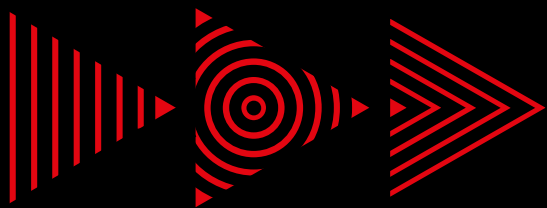


*OTT media viewers calculated on a three-month active basis.

**Revenue calculated on a standalone basis (includes intragroup revenue) according to MTS internal management accounting.

***Media operating expenses do not include spending for data streaming services conducted via MTS digital infrastructure.

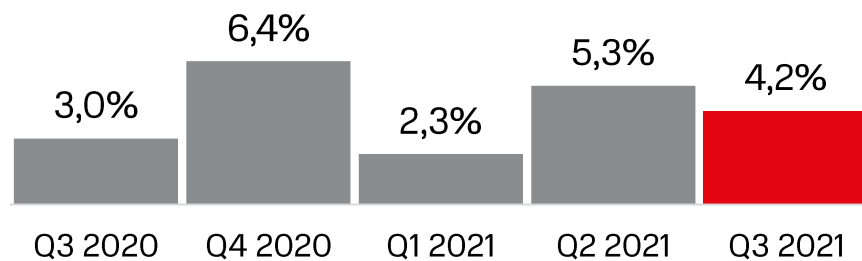
TELECOM, B2B, & RETAIL UPDATE



Robust subscriber growth in mobile & fixed-line

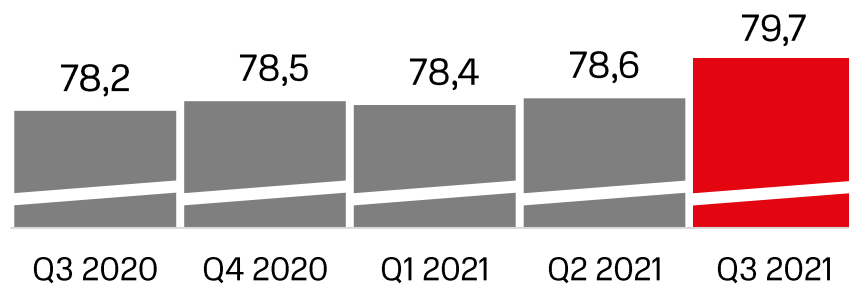
Mobile service revenue growth*

% change year-over-year



3M mobile subscribers*

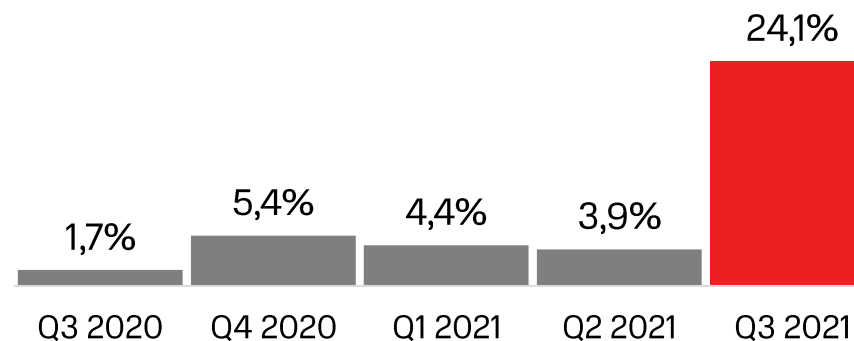
m



Fixed-line revenue growth**

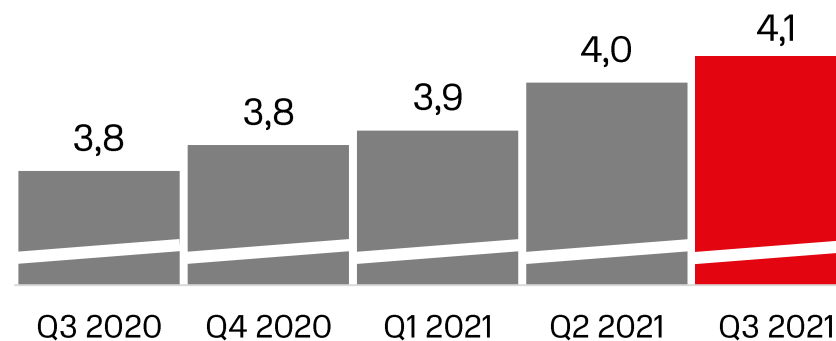
% change year-over-year

**+12% y/y B2C revenue
(ex-telephony)**



Residential broadband subscribers*

m



Investing in our network, executing in B2B/G

NETWORK DEVELOPMENT

+30%

average LTE data speeds in Moscow

following 2021 equip swap

>30%

convergent base growth y-o-y

FMC subs 3Q21 v. 3Q20

>16k

4G base stations brought online

2021 YTD net additions

>50

cities with 1Gbps MTS broadband

ultra-high-speed fixed-line

B2B/G INITIATIVES

>15

pilot + commercial Private LTE projects

w/ leading Russian companies

#1

Russia's market leader in UCaaS

VPBX, Telecom API, etc.

>5k

socially important facilities connected

upon completion of key B2G project (2019-2021)

MTS's debut social bonds helped fund connectivity for:

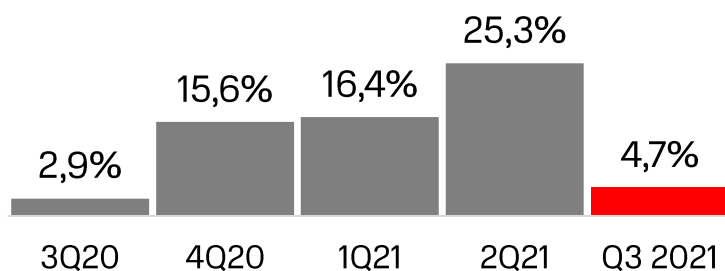
- >1,500 schools
- >1,600 medical facilities
- >1,100 cultural sites
- >500 municipal facilities
- >300 emergency facilities

Retail* – revenue growing despite sales slowdown

Sales of Handsets & Accessories**

+4.7% y/y

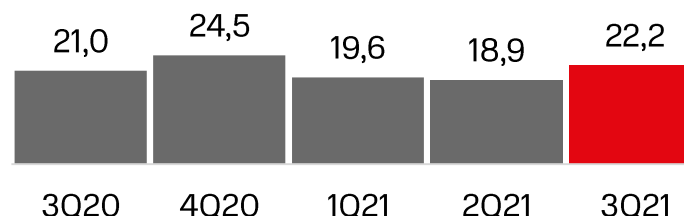
Growth y/y



Retail Revenue***

+5.4% y/y

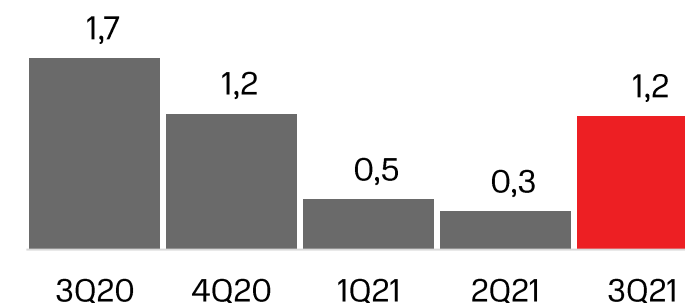
₽ bn



Retail Adj OIBDA****

-32.3% y/y

₽ bn



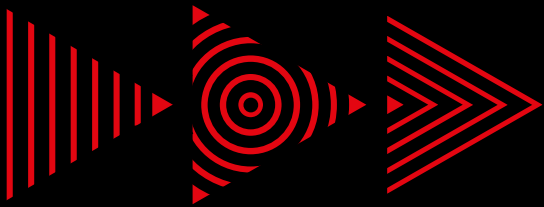
*Retail - RTC, wholly-owned subsidiary of MTS, handling functions relating to MTS retail operations, including the purchase and sale of handsets and accessories and subscriber enrollment at MTS retail outlets.

**Russia only

***Revenue calculated on a standalone basis and adjusted for one-off intragroup transaction in the amount of RUB 1,6 bn in Q3'20 and RUB 0,3 bn in Q3'21

**** Adjusted OIBDA calculated on a standalone basis and adjusted for one-off intragroup transaction in the amount of RUB 1,6 bn in Q3'20 and RUB 0,3 bn in Q3'21

FINTECH UPDATE



Delivering on KPIs and strengthening governance

5.1 bn

**YTD net
income**

+50%

**operating
income* yoy**

RUB 23.9 bn for 9m21

16%

**return on
equity**

vs 1.1% for 9m20

+119 p.p.

retail sales*

in 9m21 vs. 9m20

+33%

**MAU digital
channels yoy**

1.4m in 3Q21

7.6 bn

capital injection

Corporate governance enhancements

In September, MTS Bank's Board of Directors was updated to include:

+2 new

Independent Directors

4 of 9

total number of Independent
Directors

new board members have significant
expertise in managing fintech
projects and public banks

Figures for 3Q21 unless
otherwise noted

#1

**POS loan
portfolio
growth****

in Sept 2021 among Russian banks

#7

**Credit
card
portfolio****



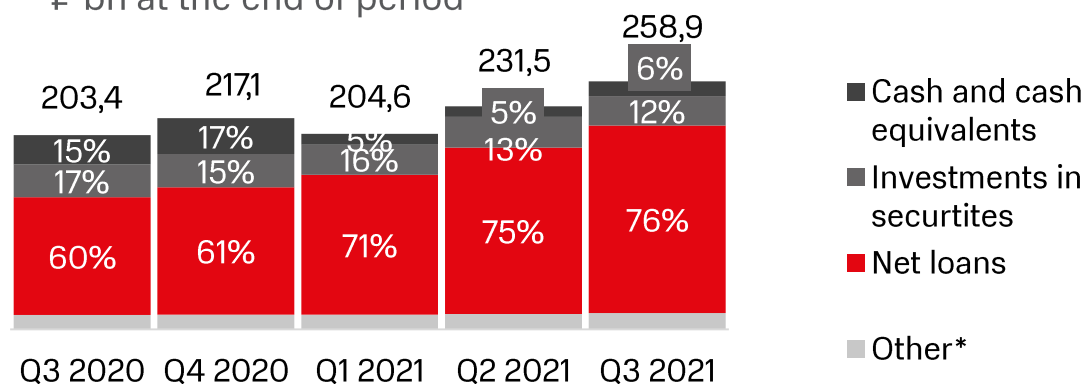
* Operating income before provisions

** Source: Frank RG tracking of Russian banks, Sept 2021

Rapid loan portfolio growth in retail segment

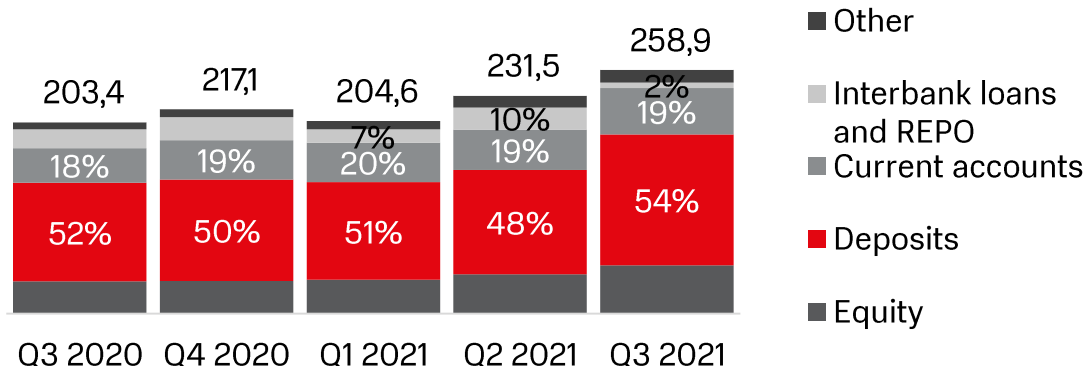
Asset structure

₹ bn at the end of period



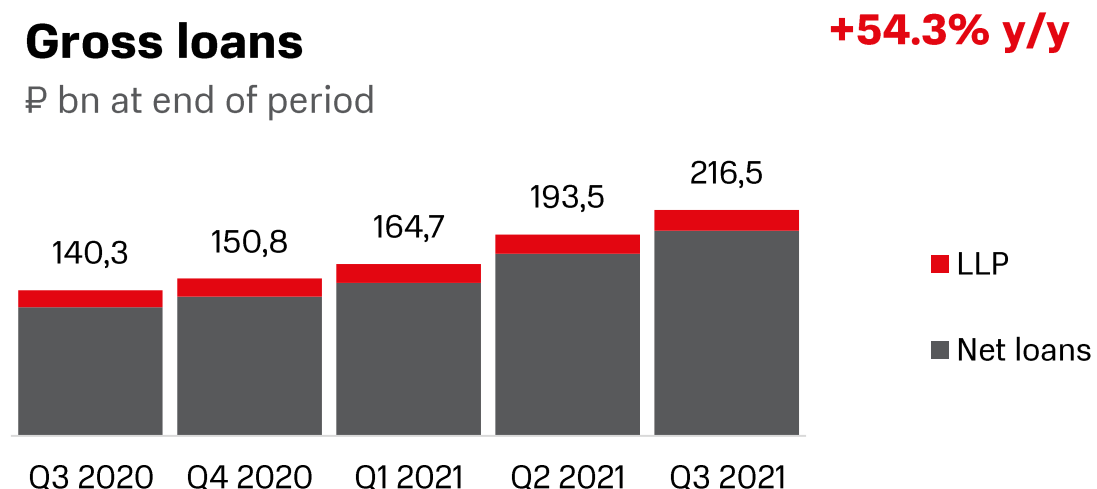
Sources of liquidity

₹ bn at end of period



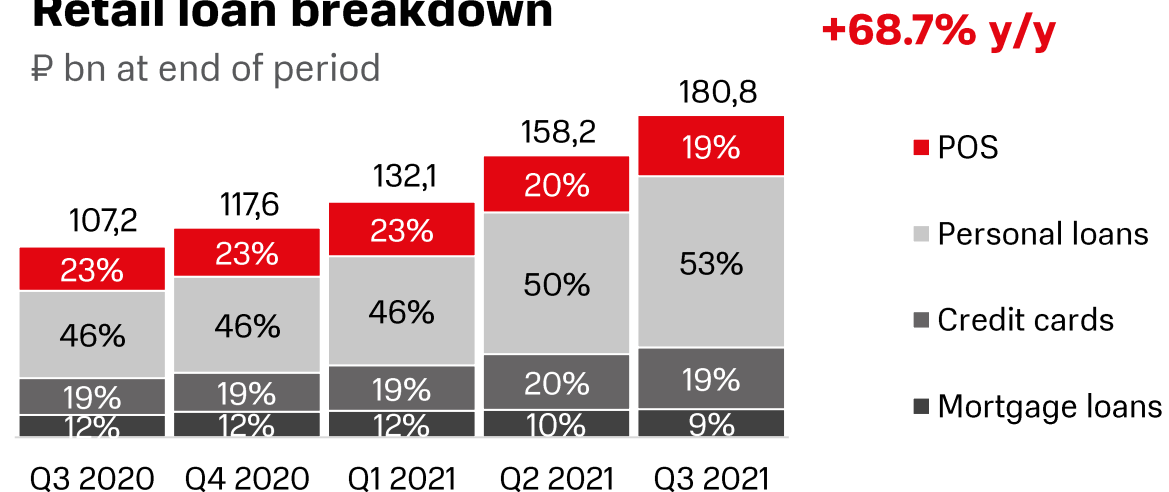
Gross loans

₹ bn at end of period



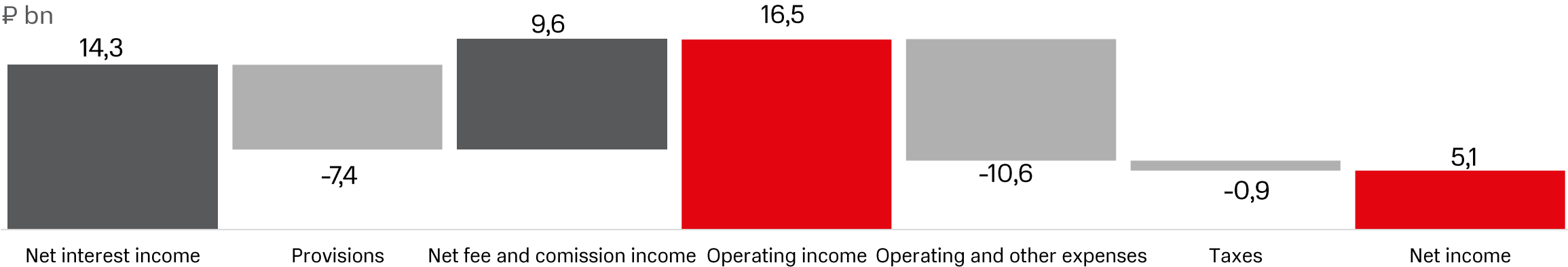
Retail loan breakdown

₹ bn at end of period



Scaling profitability in financial services

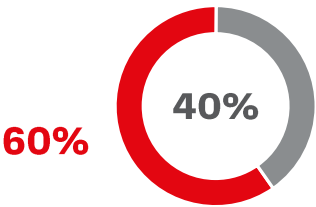
9M21 income



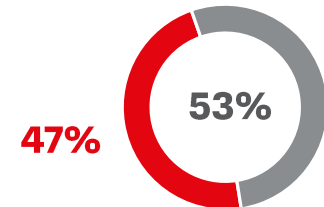
Income segment breakdown for 9m 2021

% of operating income before provisions

Total



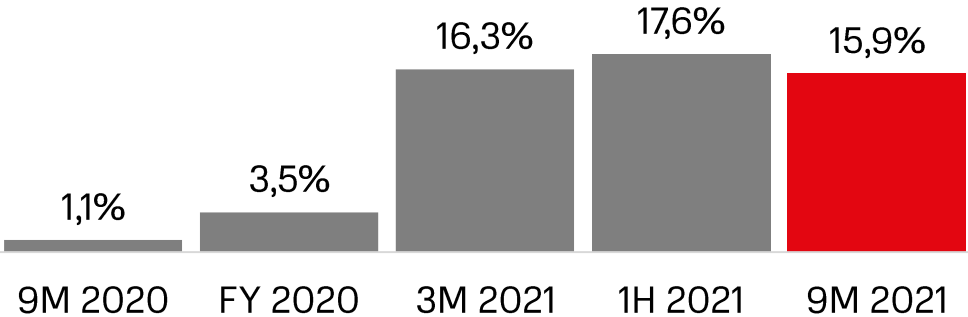
Retail*



■ Net interest income ■ Net fee and commissions income

Return on equity**

%



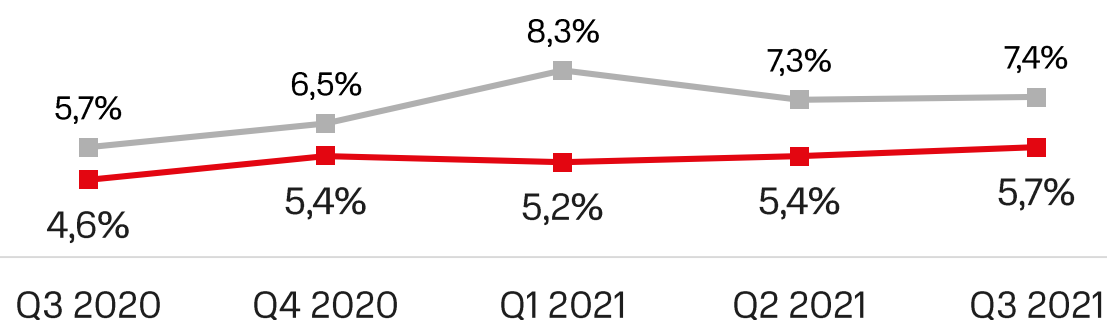
Maintaining a sharp focus on credit quality

Cost of Risk

(%)

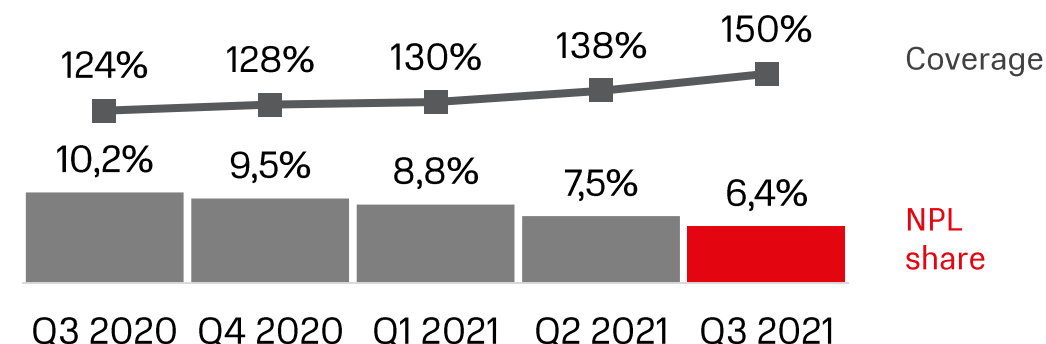
■ Retail CoR

■ Overall CoR



Non-performing retail loans

(% of retail portfolio, % NPL coverage by reserves)



Capital adequacy ratios (Quarter-end, Basel III)

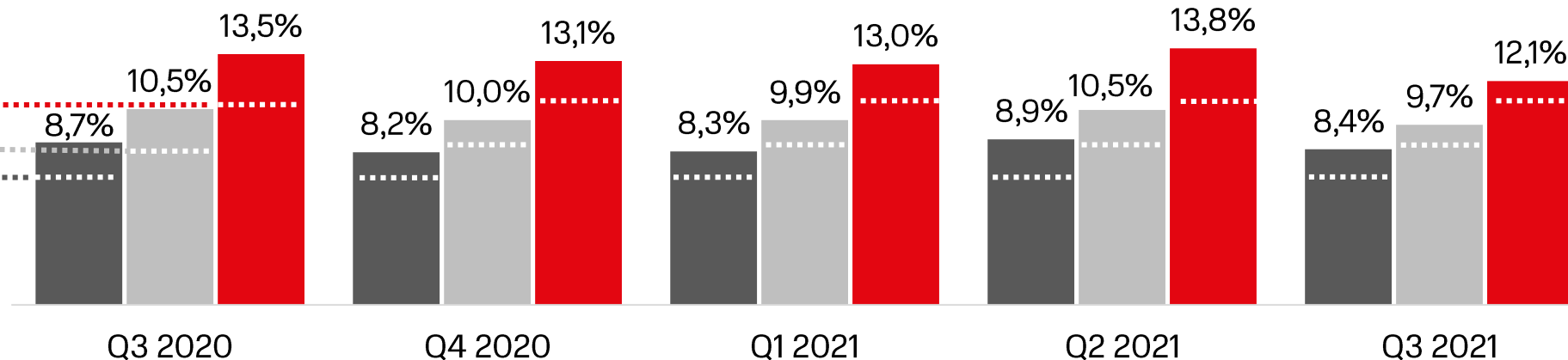
(%)

CBR minimums

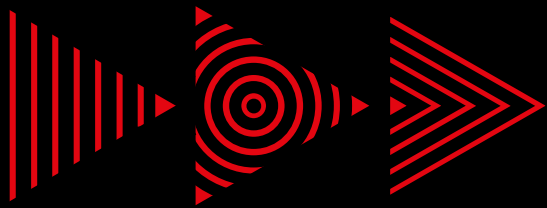
N1.0 – 10.5%

N1.2 – 8.5%

N1.1 – 7.0%



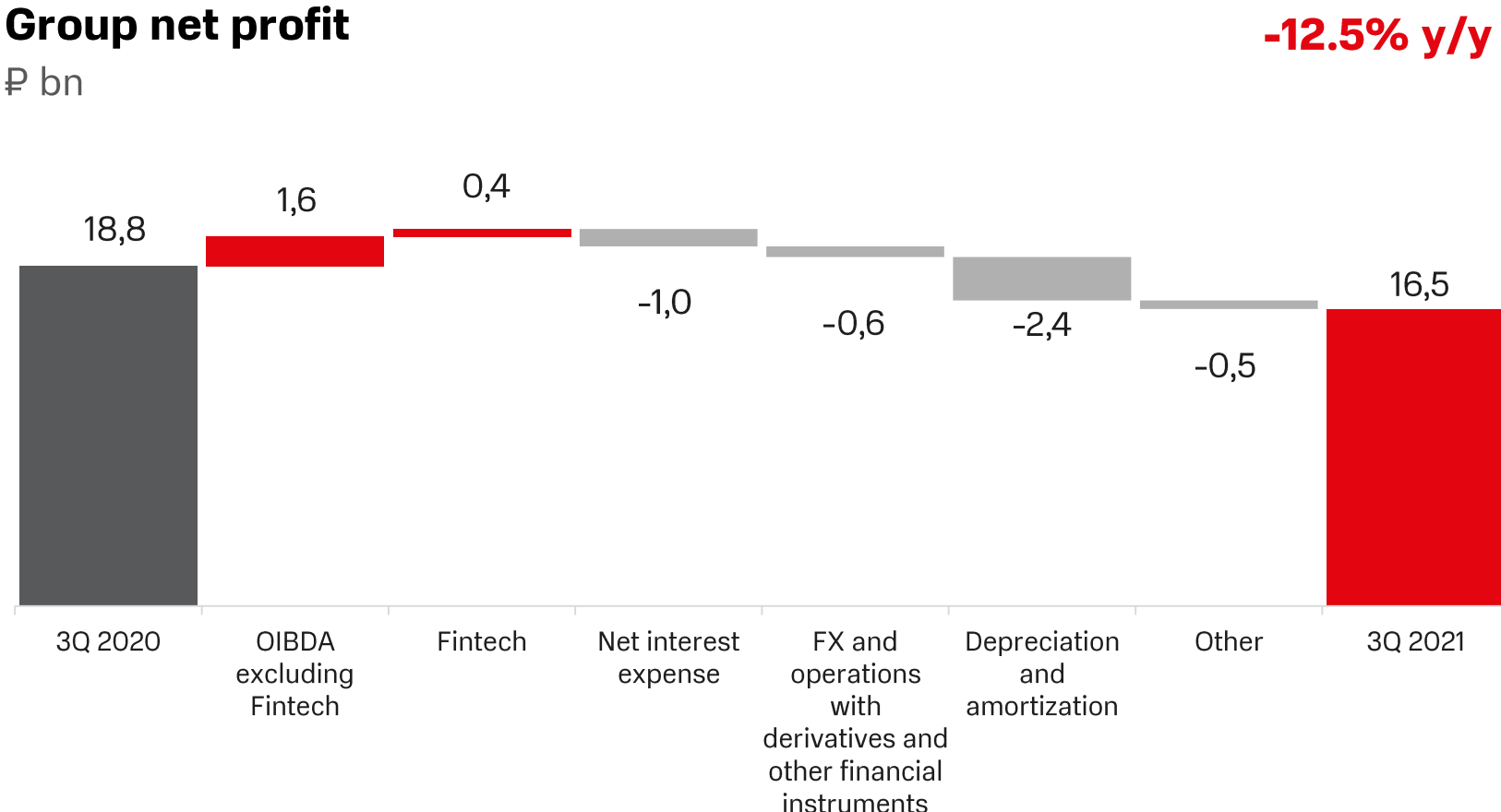
FINANCE UPDATE



Net profit constrained by deliberate CAPEX intensity

Group net profit

₽ bn



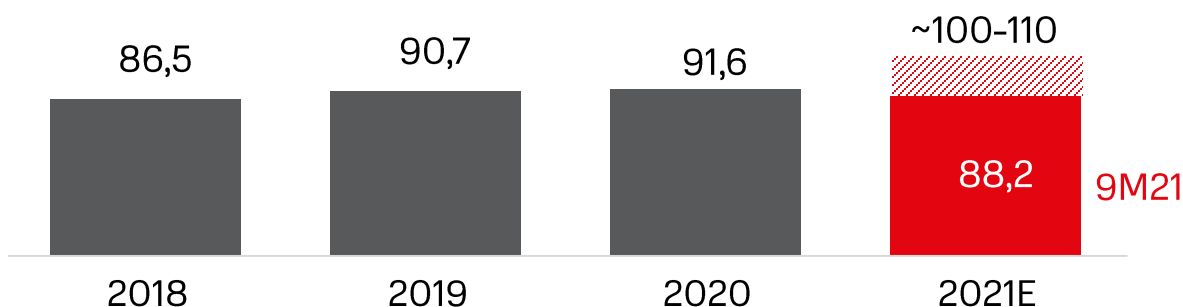
Commentary

- Group Net Profit in Q3 2021 decreased 12.5% to RUB 16.5 bn. Profitability was supported by core business performance as well as Fintech, with negative impacts coming from depreciation and amortization, an increase in financing costs amid a higher interest rate environment, as well as FX and operations with derivatives and other factors.

Investing in 4G capacity and digital growth areas

Group Cash CAPEX*

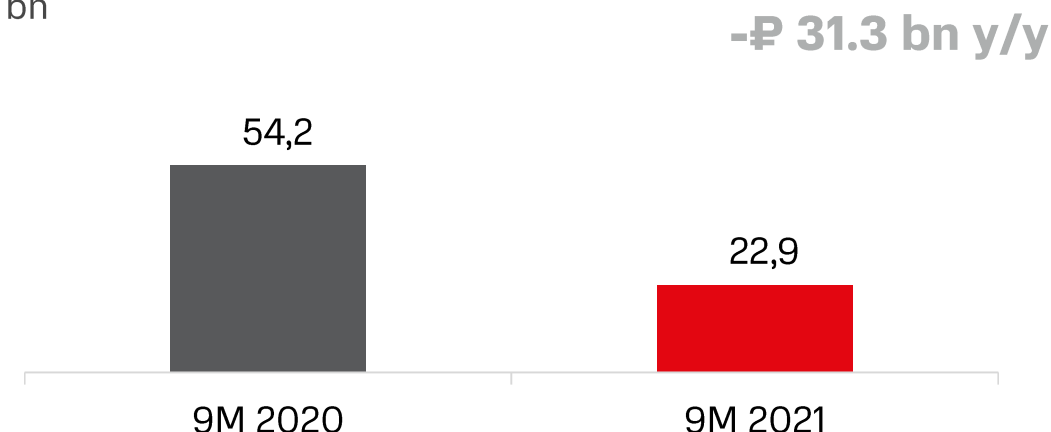
₽ bn



	9M 2021		9M 2020	
	Cash Capex (RUB bn)	Cash Capex/ Sales (%)	Cash Capex (RUB bn)	Cash Capex/ Sales (%)
Russia***	87,4	23%	62,6	n/a
Armenia	0,8	16%	1,1	19%
Group***	88,2	23%	63,7	n/a

Free Cash Flow ex-Bank**

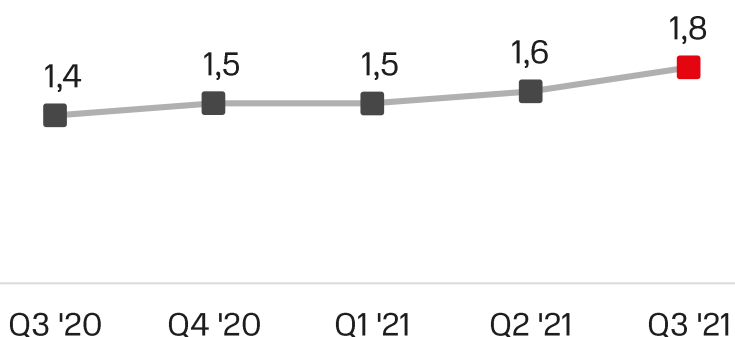
₽ bn



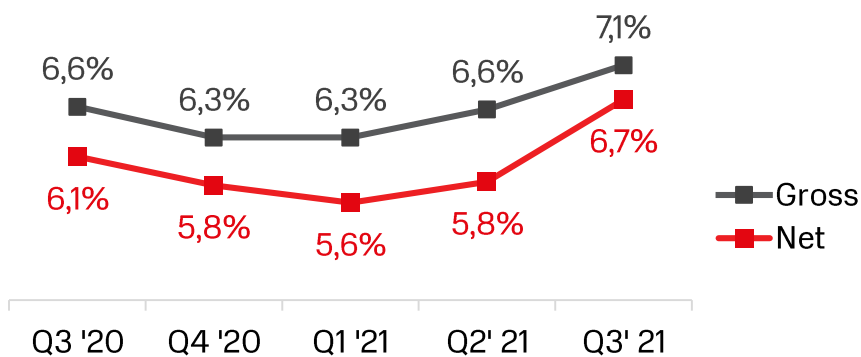
- During the first nine months of 2021, MTS Group free cash flow ex-Bank decreased RUB 31.3 bn year-over-year, driven by higher capital expenditures in telecom and other business investment, as well as relatively more intense M&A activity versus the year-ago period.

Managing debt portfolio in evolving macro environment

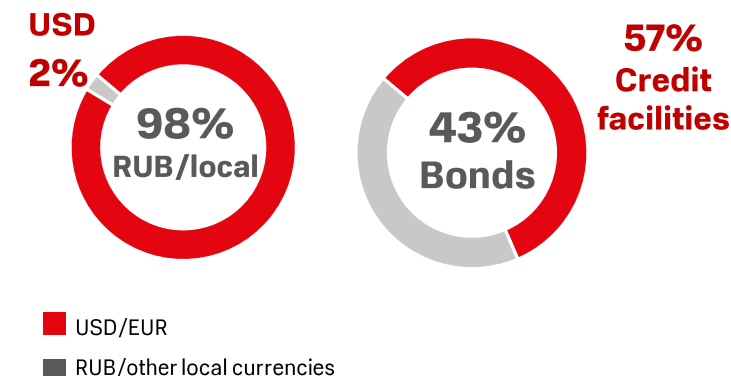
Net debt* / LTM adj.OIBDA



Weighted average interest rates



Gross debt* composition

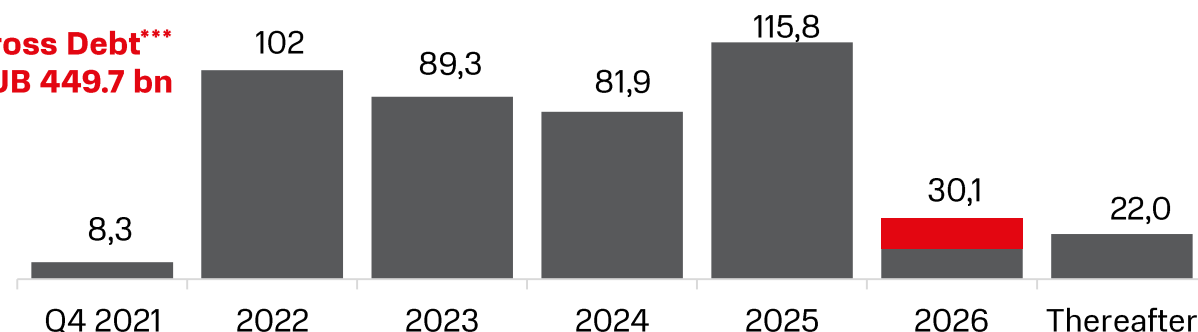


Debt repayment schedule

₽ bn

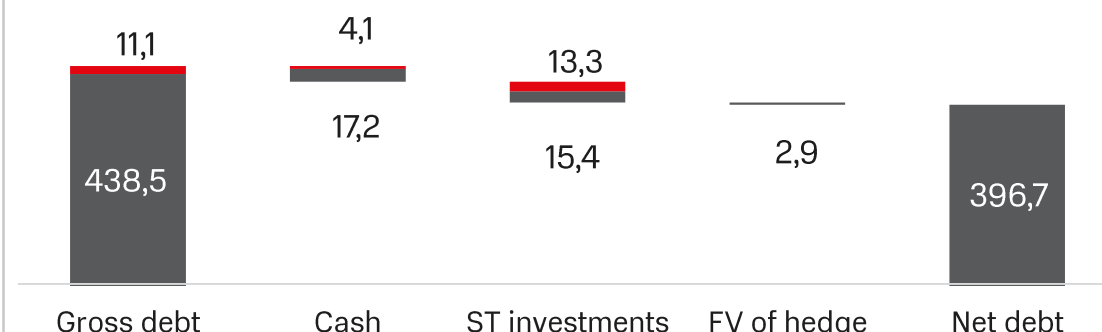
■ Bonds BO-02 ruble bonds contain put option that as of September 30, 2021, MTS expected to be exercised in February 2026

Gross Debt***
RUB 449.7 bn



Gross to net debt* walk**

₽ bn

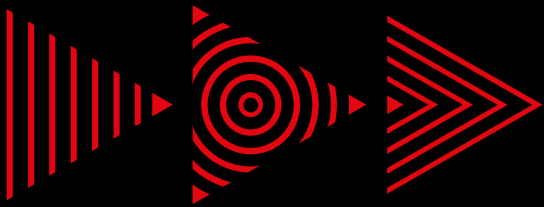


*Excluding IFRS lease liabilities

**Including FOREX hedging in the amount of USD 300.0m as of September 30, 2021, totals may add up differently due to rounding

***Net of unamortised debt issuance cost adjustment, totals may add up differently due to rounding

WRAP-UP & OUTLOOK

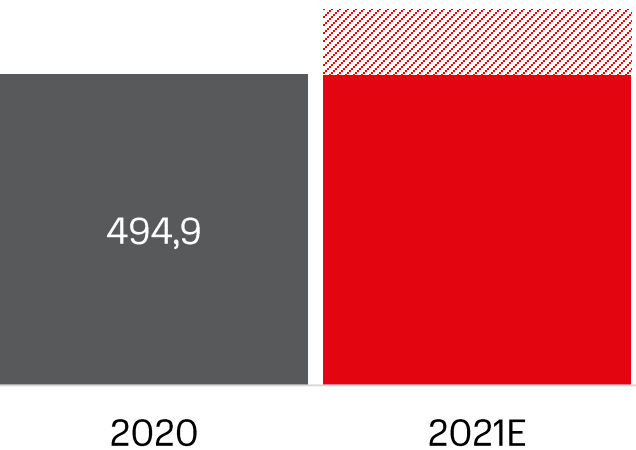


Reaffirming outlook for 2021

Revenue

₱ bn

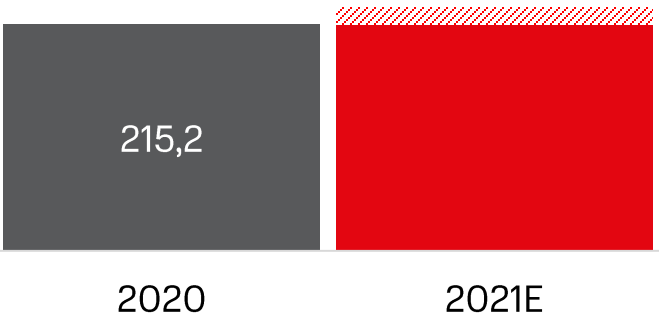
high single-digit %+



Group adj. OIBDA

₱ bn

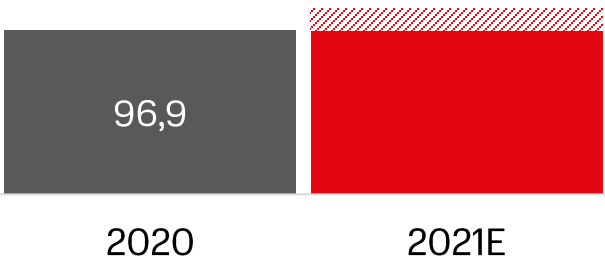
≥6%+



Cash CAPEX

₱ bn

~₱110 bn

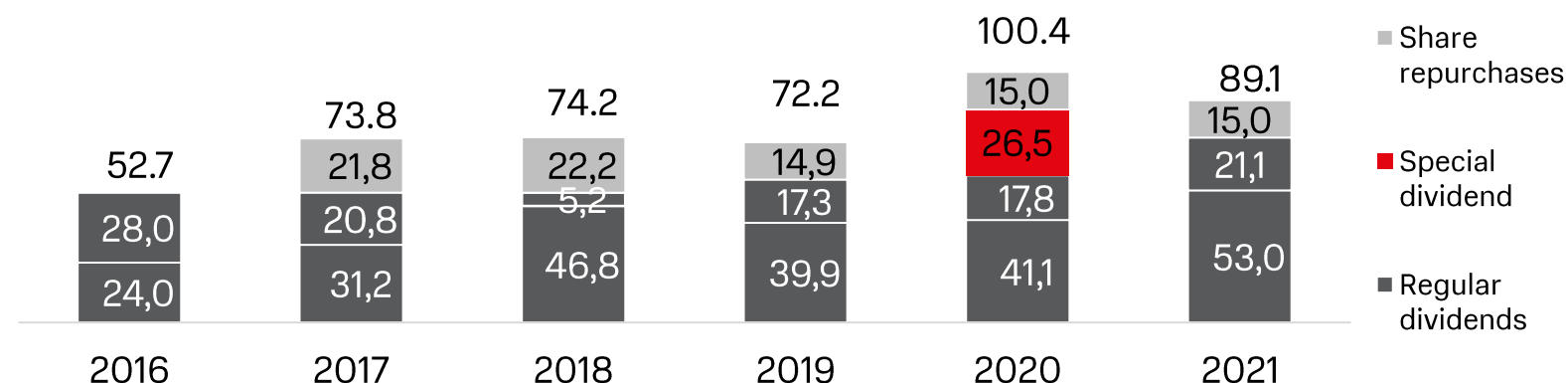


MTS's outlook is forward-looking and subject to a number of factors and risks, a more detailed review of which are provided in the press release accompanying this presentation and in the company's SEC filings.

Completed & exceeded 2019-2021 dividend policy

Total dividends plus buybacks*

₽ bn

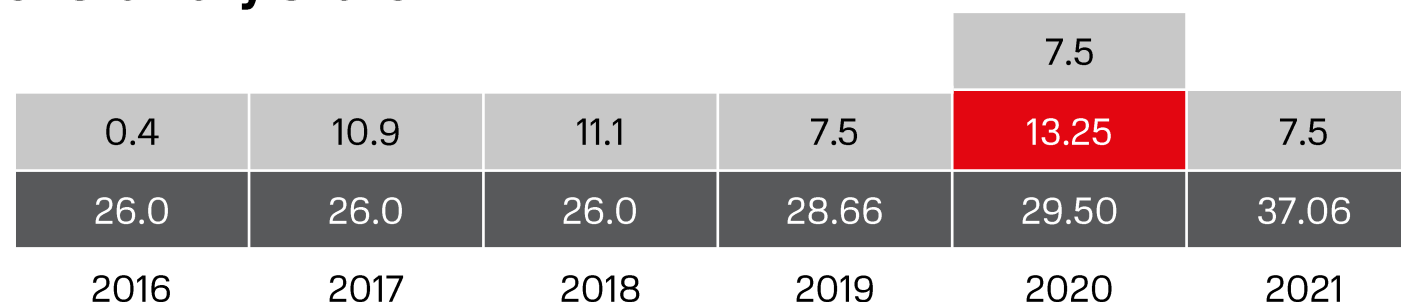


Commentary

- In June, the MTS AGM approved FY2020 annual dividends of RUB 26.51 per ordinary MTS share (RUB 53.02 per ADR), or in total RUB 52.97 bn with a record date of July 8, 2021. FY2020 dividend payments were completed by August 12, 2021.
- In July, MTS completed the RUB 15 bn share repurchase plan announced on March 31, 2021. In total, the Company's wholly-owned subsidiary Bastion LLC acquired 45,401,921 shares of Common Stock (including shares of Common Stock represented by ADSs) under the plan, representing 2.27% of share capital issued by MTS.
- In September, shareholders approved semi-annual dividends of RUB 10.55 per ordinary MTS share (RUB 21.10 per ADR) based on H1 2021 financial results with a record date of October 12, 2021. Semi-annual dividend payments to be completed by November 18, 2021

Per ordinary share

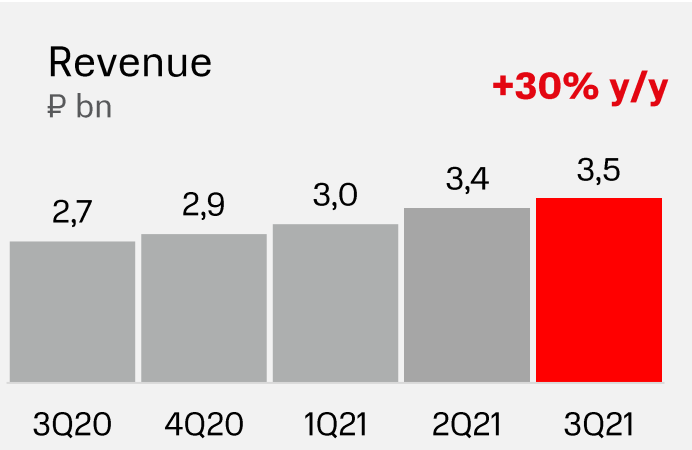
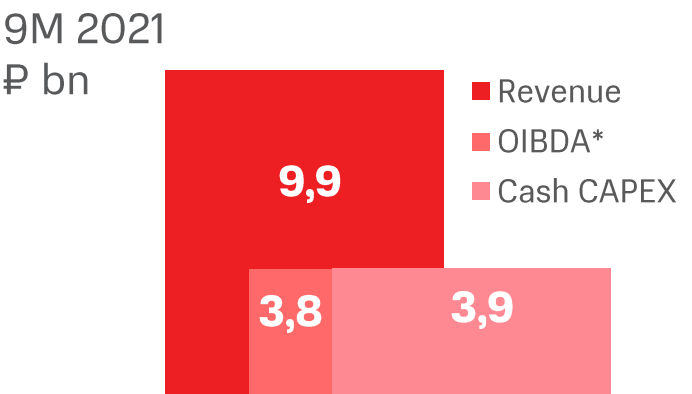
₽



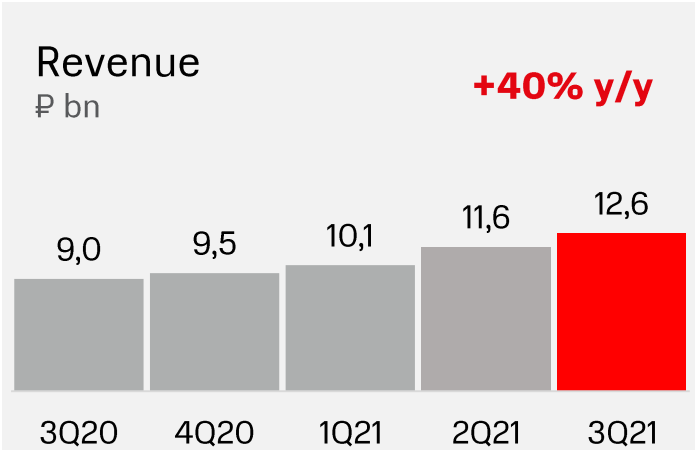
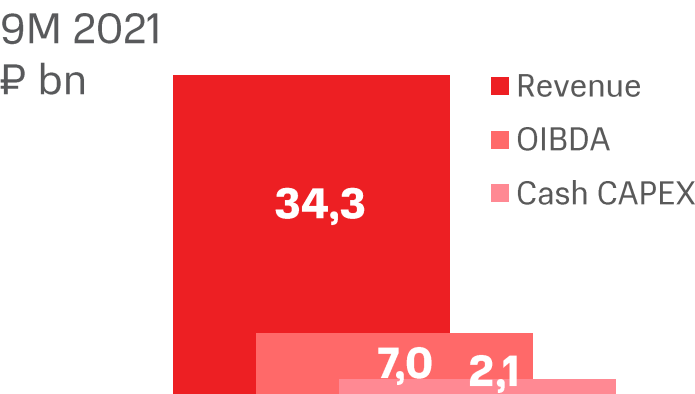
* Dividend payout includes dividends paid to quasi-treasury shares owned by MTS subsidiaries. Totals may add up differently due to rounding.

Segment performance breakdown

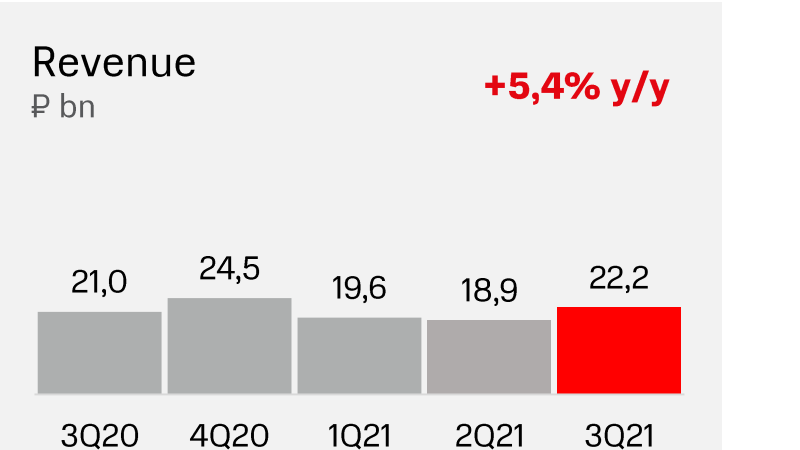
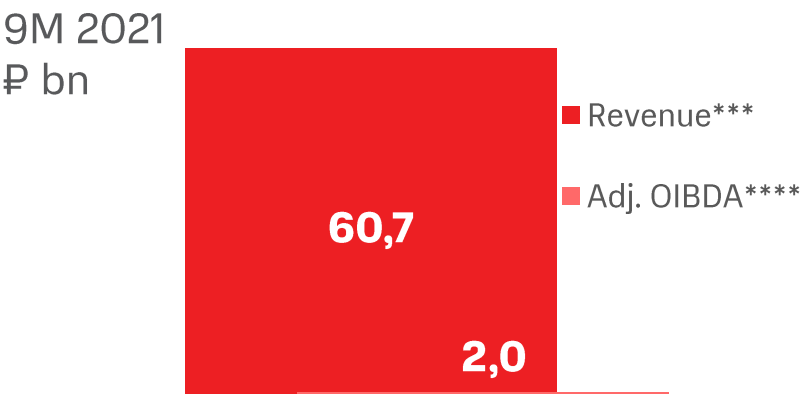
Media



Fintech



Retail**



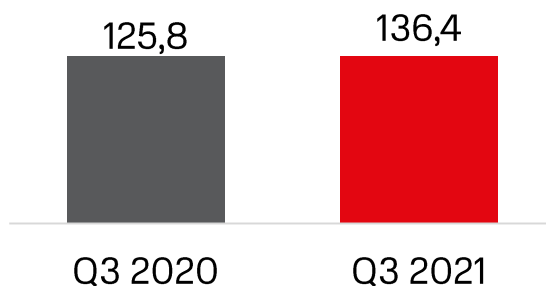
Financial figures calculated on a standalone basis (includes intragroup revenue) according to MTS internal management accounting.
*Media operating expenses do not include spending for data services conducted via MTS infrastructure.
**Retail - RTC, wholly-owned subsidiary of MTS, handling functions relating to MTS retail operations, including the purchase and sale of handsets and accessories and subscriber enrollment at MTS retail outlets.
***Revenue calculated on a standalone basis and adjusted for one-off intragroup transaction in the amount of RUB 1,6 bn in Q3'20 and RUB 0,3 bn in Q3'21
**** Adjusted OIBDA calculated on a standalone basis and adjusted for one-off intragroup transaction in the amount of RUB 0,3 bn in Q3'21

Country performance breakdown

Russia revenue

RUB bn

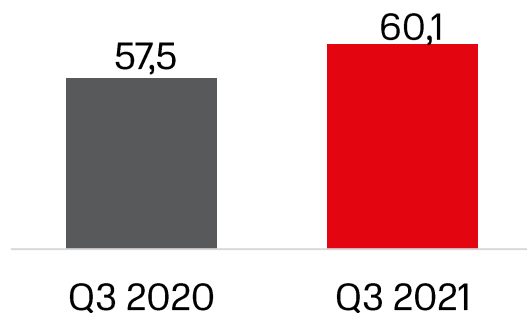
+8.5% y/y



Russia OIBDA & margin

RUB bn, %

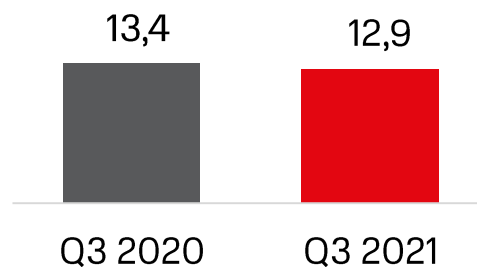
+4.6% y/y



Armenia revenue

AMD bn

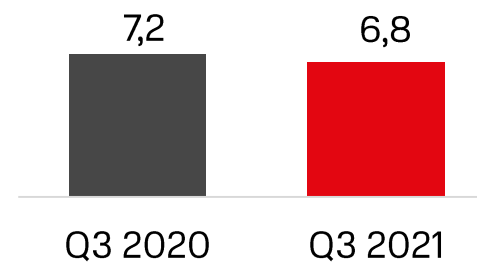
-3.8% y/y



Armenia OIBDA & margin

AMD bn, %

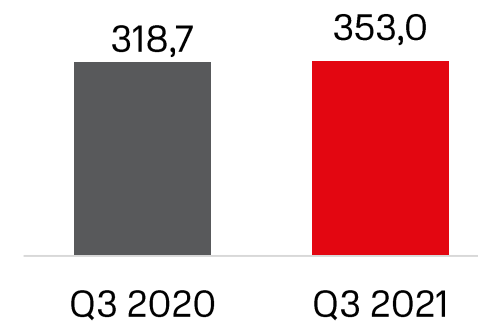
-5.3% y/y



Belarus revenue*

BYN m

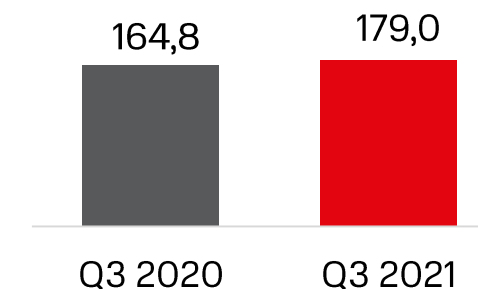
+10.8% y/y



Belarus OIBDA & margin**

BYN m, %

+8.6% y/y





MTS Investor Relations



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