

iliad Group to acquire cable operator UPC Poland

In accordance with the announcement made on July 30, 2021, Iliad Group and Liberty Global today announce that they have entered into an agreement for Play – a subsidiary of Iliad Group – to acquire 100% of the share capital of UPC Poland for an enterprise value of PLN7.0 billion.

Transaction rationale

The acquisition of UPC Poland represents Iliad's next step in the Polish telecoms market following the acquisition of Play last year. Together, both operators will become the 2nd largest telecom operator in the Polish market with 2020 combined revenues of €1.96 billion and 2020 combined EBITDAaL¹ of €697 million.

UPC Poland is one of the largest internet service providers in Poland with 3.7 million homes passed in FTTx and 1.5 million subscribers. UPC Poland generated PLN 1,698 million in revenue and PLN 757 million in EBITDAaL¹ in 2020.

Transaction highlights

The acquisition of UPC Poland by Iliad Group represents an enterprise value of PLN7.0 billion (€1.53 billion²), corresponding to a 2020 EBITDAaL multiple of 9.3x before synergies and c.7x after revenue and costs synergies. The transaction is to be financed from available cash and debt issuance at Play's level. The Board of Directors of Iliad has unanimously approved the acquisition.

At closing, UPC Poland will become a subsidiary of Play. The Group expects the integration of UPC Poland with Play to support product innovation and investments in fiber networks for the B2C and B2B segments. Together, Play and UPC Poland will cover all of Poland, serving more than 17 million mobile and fixed subscribers as of today.

The announced transaction is expected to close in H1 2022 after clearance by the relevant authorities. This transaction is the conclusion of the indicative offer announced on July 30, 2021 whose terms were communicated to the independent expert (BMA) as part of the simplified public tender offer.

¹ Equivalent to Liberty Global's OFCF definition adjusted from share of central costs

² EUR/PLN of 4.60 as of September 20, 2021

Thomas Reynaud, CEO of Iliad Group: *"The acquisition of UPC Poland comes with a willingness to accelerate investment in fiber network. At Iliad/Play we are determined to invest in next-generation mobile and broadband networks and services. This long-term ambition to foster nationwide connectivity will contribute to the digital transformation of the Polish economy and benefit the consumers and businesses with more innovative and comprehensive offers. Once approved, we look forward to combining forces and welcoming UPC's employees to the Play/Iliad family".*

Jean-Marc Harion, CEO of Play, added: *"The combination of Play and UPC Poland offers a unique opportunity to take Play to the next level and we are excited to start working with UPC teams to deliver on our new ambition. Play has a strong track record of successfully fulfilling customers' needs. UPC Poland has built a very strong platform based on high quality standards. Play and UPC will join their forces to create a strong convergent operator in Poland."*

About the Iliad Group

Created in the early 1990s, the Iliad Group is the inventor of the world's first triple-play box and has grown into a major European telecoms player, standing out for its innovative, straightforward and attractive offerings. The Group is the parent of Free in France, Iliad in Italy and Play in Poland, has some 15,000 employees serving 42.7 million subscribers, and generated €5.9 billion in revenues in 2020. In France, the Group is an integrated Fixed and Mobile Ultra-Fast Broadband operator and had over 20 million retail subscribers at June 30, 2021 (13.3 million mobile subscribers and 6.8 million fixed subscribers). On March 23, 2021, it launched its B2B activity in France under the Free Pro brand. In Italy - where the Group launched its business in 2018 under the Iliad brand, becoming the country's fourth mobile operator - it had over 7.8 million subscribers at end-June 2021. With the acquisition of the Polish mobile operator Play in November 2020, the Iliad Group has become Europe's sixth-largest mobile operator by number of subscribers (excluding M2M). Iliad is listed on Euronext Paris (under the ILD ticker symbol).

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Member of Euro Stoxx, SBF 120, CAC Mid 100