



Press release

From connectivity to customer centricity – investing for profitable growth

Mechelen, September 26, 2022 – Today, Telenet Group Holding NV (“Telenet” or the “Company”) (Euronext Brussels: TNET) will host a Capital Markets Day (“CMD”) in London. The event entails a series of presentations by members of Telenet’s Senior Leadership Team, elaborating on the future strategic value drivers for both its fixed infrastructure business (“NetCo¹”) as well as its Residential, Entertainment & Media and B2B domains (“Telenet”). More details on the event can be found on Telenet’s investor relations website.

Commenting on the CMD, Telenet’s Chief Executive Officer, John Porter stated, *“I am confident we will continue to deliver sustainable profitable growth and create long-term value for all of our stakeholders. With our updated strategy we intend to transform Telenet from the leading broadband, media and entertainment company in our footprint into a leading customer-centric provider of connectivity, entertainment and digital services, and drive sustainable growth. We plan substantial investments in our fixed and mobile network infrastructure over the next few years as well as in our digital and data platforms. This should further drive value for customers and lead to increased benefits over time. With a robust balance sheet and liquidity profile, Telenet is well positioned to weather the current macro-economic turmoil, as illustrated by the fact that we are reaffirming our full year 2022 financial outlook despite increased inflationary pressures.”*

Transforming into a leading customer centric provider of connectivity, entertainment and digital services

With our updated strategy we intend to transform Telenet from the leading broadband, media and entertainment company in our footprint into a leading customer-centric provider of connectivity, entertainment and digital services, and drive sustainable growth.

Our strategic focus areas can be summarized as follows:

- **Telenet:** Grow in Residential, Entertainment & Media, B2B and beyond with the simplest and most personalized offerings in the market
- **NetCo¹:** Build a leading fixed network together with Fluvius for consumers, businesses and wholesale customers
- **Transform operating model:** Enable efficiencies and a leading digital experience via simplification, digitization and automation
- **Invest for long-term value creation:** Invest into fixed and mobile networks to maintain our market-leading position, focused on long-term value creation
- **ESG at the heart of what we do:** We care about society and the environment and are committed to our ESG targets as published in our 2021 Sustainability Report.

¹ Subject to regulatory approval from the relevant competition authorities

Building a highly valuable, future-proof network

Our investments in a superior network infrastructure underpin growth in each of our domains. In addition to continued investments in our digital and data platforms (estimated at around €0.2 billion over the 2023-25 period) and Telenet's targeted 5G investment of €0.3bn over the same period, the vast majority of our investments will be geared towards the upgrade of our hybrid coaxial network to Fiber-to-the-Home.

In July 2022, we announced a partnership with Fluvius on the data network of the future in Flanders². Together, we will create a fully funded infrastructure company ("NetCo"), with Telenet owning a 66.8% stake and running an open access network open for multiple tenants on a non-discriminatory basis. NetCo plans to invest up to €2 billion to build the leading fixed network with Fluvius, targeting to cover 78% of our footprint with fiber by 2038 with around 70% of premises connected in 2029. As previously announced, we will actively seek opportunities for further network rationalization and CAPEX optimization. Our NetCo plan is fully funded and will be independent from external financing. NetCo is well positioned to attract additional strategic and/or financial investors given its market-leading market penetration of close to 60% and its attractive financial profile.

Well positioned to weather the current turmoil, reaffirming our FY 2022 outlook

Telenet's past investments in IT simplification and digital capabilities have been paying off as the group's operating expenses (excluding staff-related and energy costs) are expected to decrease by around €20 million in 2022, equivalent to a 5% year-on-year reduction, of which around half is related to our past investment in digitization and IT simplification.

Telenet has a strong fully hedged capital structure, with no debt amortizations prior to March 2028, ample liquidity of around €1.4 billion (including full access to its undrawn Revolving Credit Facilities), and as such the NetCo investment plan is fully funded and de-risked from external financing. On a pro forma basis to reflect the impact of both the NetCo and TowerCo transactions and the recognition of the recently acquired mobile spectrum licenses, Telenet's net total leverage at June 30, 2022 reached 3.7x and 3.5x on an Consolidated Annualized EBITDA and EBITDAaL basis, respectively. Against the current macro-economic backdrop, we intend to maintain our consolidated net leverage ratio rather towards the lower end of the 3.5x to 4.5x range.

Ample value creation opportunities

Telenet: Leveraging our unique data and digital capabilities, we will drive customer experience to the next level, by truly understanding our customers and prospects, while continuing to innovate and being personalized in everything we do. Our Residential business will innovate further in fixed-mobile-convergence, In-Home Connectivity and top-notch entertainment (backed by a future-proof platform), where freedom of choice is key, and differentiate by applying a unique "Segment of One" customer targeting strategy. In Entertainment & Media, we will leverage our broadcasting assets by anchoring local unique content and expanding proprietary productions internationally. In B2B, we will strengthen and expand our connectivity and ICT footprint through cross- and upsell, leveraging our new 5G capabilities and proactively engage in Managed Services. We will continue to selectively expand beyond the core, into new business, powered by partnerships. This will drive top line growth across our Residential, Entertainment & Media, B2B and New Business domains. At

² Subject to regulatory approval from the relevant competition authorities

the same time, we aim to realize efficiencies from a further digitization and have shown a solid track record in this area as we reduced our expenses in IT and customer care by 15% over the 2018-21 period as guided in our December 2018 CMD.

NetCo: As far as the NetCo transaction with Fluvius is concerned, we await regulatory approval from the relevant competition authorities and expect NetCo to launch in early 2023 as previously communicated. In addition to the clear future benefits from gradually moving to fiber-to-the-home across 78% of our footprint by 2038 (targeting around 70% in 2029), we remain committed to create value from increased penetration and bringing in additional strategic and/or financial investors, as mentioned above. And as smart and experienced builders, we will enable multiple efficiency levers to optimize our CAPEX spend.

Our long-term consolidated ambition is to drive growth in both ARPU and our customer base, translating into healthy top line growth. Through increased digitization, we expect our operating costs to further decrease over time, boosting our Adjusted EBITDA. And post the network build, we expect a significantly lower CAPEX intensity across both our NetCo and Telenet businesses, translating into robust Adjusted Free Cash Flow growth and growth in our shareholder remuneration profile from our current policy as described above.

As announced mid-July, Telenet has opted for a balanced shareholder remuneration policy during the investment cycle (annual gross dividend per share of €1.0 during the roll-out period) with upside potential (through extraordinary dividends and/or share buy-backs) from either a partial NetCo divestment and/or our ability to optimize the FTTH investment plan.

Contacts

Investor Relations:	rob.goyens@telenetgroup.be	+32 15 333 054
	bart.boone@telenetgroup.be	+32 15 333 738
Press & Media:	stefan.coenjaerts@telenetgroup.be	+32 15 335 006
Legal:	bart.van.sprundel@telenetgroup.be	+32 15 333 495

About Telenet – As a provider of entertainment and telecommunication services in Belgium, Telenet Group is always looking for the perfect experience in the digital world for its customers. Under the brand name Telenet, the company focuses on offering digital television, high-speed Internet and fixed and mobile telephony services to residential customers in Flanders and Brussels. Under the brand name BASE, it supplies mobile telephony in Belgium. The Telenet Business department serves the business market in Belgium and Luxembourg with connectivity, hosting and security solutions. More than 3,000 employees have one aim in mind: making living and working easier and more pleasant. Telenet Group is part of Telenet Group Holding NV and is quoted on Euronext Brussel under ticker symbol TNET. For more information, visit www.telenet.be. Liberty Global - one of the world's leading converged video, broadband and communications companies, innovating and empowering people in six countries across Europe to make the most of the digital revolution – owns a direct stake of 58.9% in Telenet Group Holding NV (including any treasury shares held by the latter from time to time).

Additional Information – Additional information on Telenet and its products can be obtained from the Company's website <http://www.telenet.be>. Further information regarding the operating and financial data presented herein can be downloaded from the investor relations pages of this website. The Company's Consolidated Annual Report 2021 as well as unaudited condensed consolidated financial statements and presentations related to the financial results for the three months ended June 30, 2022 have been made available on the investor relations pages of the Company's website (<http://investors.telenet.be>).

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