



Rating Action: Moody's Ratings assigns B1 ratings to Telenet's new senior secured notes and term loans; stable outlook

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London, February 02, 2026 -- Moody's Ratings (Moody's) has today assigned B1 instrument ratings to the proposed senior secured notes due 2034 to be issued by Telenet Finance Luxembourg Notes S.a r.l., as well as the proposed senior secured term loans due 2033 to be issued by Telenet International Finance S.ar.l. and Telenet Financing USD LLC. All entities are subsidiaries of Telenet Group Holding NV (Telenet or the company, B1 stable). The stable outlook on all entities is unaffected.

Proceeds from the debt issuance, together with the €2,341 million of proceeds to be received from its network company, Wyre, will be used to repay in full the senior secured notes and term loans due in 2028, partially repay the senior secured term loan due in 2029, and cover related financing fees, derivative costs and accrued interest.

"The refinancing takes place in the context of the designation of Wyre as an unrestricted subsidiary of Telenet and the subsequent creation of two distinct Telenet and Wyre restricted groups. The Wyre transaction is subject to the approval by the Belgian Competition Authority of the partnership between Telenet/Wyre and Proximus/Fiberklaar to roll out full fibre across Flanders," says Luigi Bucci, a Moody's Ratings VP and lead analyst for Telenet.

"While Telenet excluding Wyre will aim for a reported gross leverage target of 3.5x–4.5x in the short to medium term, supported by potential proceeds from the monetisation of Wyre that will be partly used to prepay some of the company's debt, its opening leverage will remain high and outside the target. However, the improvement in the company's free cash flow profile will help mitigate this risk to some extent," adds Mr Bucci.

RATINGS RATIONALE

Our view of the impact of the proposed Wyre transaction on Telenet is broadly negative. While the separation of Wyre will enable the company to reduce its overall debt quantum and improve its free cash flow (FCF) profile through lower capital intensity and reduced interest costs, it will not lead to any material deleveraging from current levels on a Moody's-adjusted basis. This is because the positive impact of lower debt outstanding will be offset by the decline in EBITDA following the deconsolidation of Wyre.

The company's current large cash balance is likely to be upstreamed to its parent, Liberty Global Limited, upon the successful monetisation of Wyre. As we outlined previously, the upstreaming of the company's large cash balance is one of the key risks to Telenet's credit quality.

Moreover, any upside deriving from the monetisation of Wyre will be capped at around €600 million, or the remainder of the outstanding 2029 maturities. The transaction will also weaken the company's overall business profile, as Wyre will be spun off from Telenet and the company will no longer be an integrated fixed-mobile network operator.

Telenet's reported opening leverage will be 5.4x, with the intention to de-leverage towards the high end of its 3.5-4.5x target in the short to medium term, supported by cash proceeds from the potential monetisation of Wyre. Moody's-adjusted leverage is approximately 1.0x higher than company reported gross leverage. We forecast it will stand at around 5.5x in 2026 when assuming that cash proceeds from the monetisation of Wyre will be used for debt repayment, before a slight reduction towards 5.4x in 2027 reflecting our assumptions of modest EBITDA growth.

Telenet's B1 corporate family rating (CFR) reflects the company's: (1) position as one of Belgium's leading telecom operators, with a strong presence in Flanders; (2) ongoing expansion in Wallonia through the wholesale agreement with Orange (Baa1, stable); (3) expected improvement in FCF over 2026–27 when excluding Wyre; and (4) solid liquidity supported by a long-dated maturity profile, pro forma for the transaction, and undrawn credit facilities.

These strengths are offset by Telenet's: (1) high leverage, with Moody's-adjusted debt/EBITDA expected to stand at around 5.5x in 2026, pro forma for the completion of all steps of the transaction; (2) still-weak EBITDA performance; (3) our expectation of a weakening of the business profile post-Wyre's spin-off; and (4) uncertainties around the ultimate impact of new-entrant Digi on the Belgian telecom market.

A comprehensive review of all credit ratings for the respective issuer(s) has been conducted during a rating committee.

LIQUIDITY

Telenet benefits from a good liquidity profile, supported by: (1) our expectation that FCF will gradually improve over 2026–27; (2) access to two revolving credit facilities, currently undrawn, totalling €600 million and currently maturing in 2026 (€20 million) and 2029 (€580 million), respectively, and expected to be largely extended to 2032; (3) a €25 million overdraft facility due in 2026; and (4) a long-dated maturity profile, pro forma for the proposed transaction.

While Telenet currently benefits from around €1 billion of cash on its balance sheet, we expect the company to upstream most of this amount to Liberty Global, thereby providing no support to its liquidity profile.

STRUCTURAL CONSIDERATIONS

Telenet's B1-PD probability of default rating (PDR) is at the same level as the CFR, reflecting the expected recovery rate of 50% which we typically assume for a capital structure that consists of a mix of bank debt and bonds.

The senior secured on-lending of the senior secured notes, issued by Telenet Finance Luxembourg Notes S.a r.l., establishes a claim position for the noteholders that is broadly equivalent to that of the existing lenders under the Telenet senior secured bank credit facilities. The senior secured bank credit facilities and the senior secured notes are both rated B1, in line with the CFR.

The designation of Wyre as an unrestricted subsidiary implies that the funding to be raised by the infrastructure company will fall outside the Telenet restricted group. The designation of Wyre as an unrestricted subsidiary will be triggered by the drawdown of its credit facility and is subject to regulatory approval from the Belgian Competition Authority (BCA) for the full-fibre partnership between Wyre and Fiberklaar, together with their respective parent companies, Telenet and Proximus SA de droit public (A3 stable). The proposed refinancing of Telenet is, in turn, subject to the successful completion of Wyre's financing.

RATIONALE FOR STABLE OUTLOOK

The stable outlook reflects our expectation that the company's Moody's-adjusted leverage will gradually decline to below 5.5x, supported by modest EBITDA growth and, mostly, debt repayments driven by the potential monetisation of Wyre. The rating is currently weakly positioned, leaving only limited headroom for underperformance against our current expectations.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

We expect to revisit the rating thresholds following the successful completion of the overall transaction. Currently, the rating could be upgraded if Telenet: (1) improves its operating performance meaningfully; (2) demonstrates a clear commitment to maintaining its Moody's-adjusted gross debt/EBITDA below 4.75x on a sustained basis; (3) increases its Moody's-adjusted cash flow from operations (CFO)/debt well above 15%; and (4) increases substantially its margins.

Telenet could be downgraded if: (1) there is a further deterioration in the company's operating performance; (2) its business profile weakens, as in the case of a network separation; (3) the company's Moody's-adjusted gross debt/EBITDA exceeds 5.75x, particularly if it is not sufficiently balanced by cash on balance sheet, on a

sustained basis; and (4) its Moody's-adjusted CFO/debt falls below 10% and FCF (after capital spending and dividends) deteriorates further.

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Telecommunications Service Providers published in December 2025 and available at <https://ratings.moodys.com/rmc-documents/455791>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

The net effect of any adjustments applied to rating factor scores or scorecard outputs under the primary methodology(ies), if any, was not material to the ratings addressed in this announcement.

COMPANY PROFILE

Headquartered in Mechelen, Belgium, Telenet Group Holding NV provides broadband, video, fixed-line telephony and mobile communications services, predominantly in Belgium but also in Luxembourg. Telenet generated revenue of €2,851 million and company-adjusted EBITDA of €1,357 million in 2024. The company is fully owned by Liberty Global.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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