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15 March 2024

Update

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RATINGS

Telenet Group Holding NV

Domicile	Belgium
Long Term Rating	B1
Type	LT Corporate Family Ratings - Fgn Curr
Outlook	Stable

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

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Telenet Group Holding NV

Update following downgrade to B1

Summary

Telenet Group Holding NV's (Telenet) B1 corporate family rating (CFR) is supported by the company's position as one of the leading telecom operators in Belgium, with a strong presence in Flanders; well-defined fibre strategy after the agreement with Fluvius System Operator CV (Fluvius, A3 stable) to merge their fixed network assets; wholesale agreement with Orange Belgium (a subsidiary of Orange, Baa1 positive) to provide broadband coverage across Wallonia; and good liquidity, supported by a long-dated maturity profile and undrawn credit facilities.

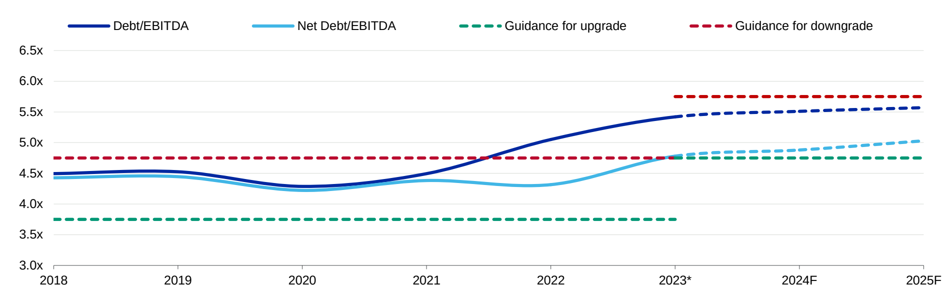
However, Telenet's rating is constrained by its more aggressive financial policy after the take-private transaction by Liberty Global plc (Ba3 stable), as illustrated by the recent debt push-down; weak EBITDA trajectory through 2025 under our current expectations; large capital spending requirements to fund the full-fibre upgrade, although potential cooperation agreements might mitigate this risk; and potential increase in competition once the new operator enters the market.

We recently downgraded Telenet's rating to B1. The negative rating action was largely prompted by the debt push-down completed over Q4 following the announced change in financial policy.

Exhibit 1

Leverage has increased materially after debt push-down

Moody's-adjusted leverage/net leverage evolution over 2018-25F



All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Periods are financial year-end unless indicated. Moody's forecasts are Moody's opinion and do not represent the views of the issuer. *2023 based on preliminary financial information.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Credit strengths

- Good market shares and strong competitive position in the Belgian telecom market
- Near-countrywide broadband coverage after the wholesale agreement with Orange Belgium
- Download speeds of up to 1 Gbps throughout its network footprint with a clear upgrade path

Credit challenges

- Free cash flow (FCF) generation to weaken materially because of the fibre upgrade
- Sustained pressure on the video and fixed telephony segments
- A more promotional pricing environment ahead of Digi Communications N.V.'s (Digi) launch

Rating outlook

The stable outlook on Telenet's rating reflects our expectation that the company's EBITDA will decline in the mid-single-digit percentages over 2024 before a broad stabilisation in 2025. This is likely to help keep Moody's-adjusted leverage and Moody's-adjusted CFO/debt within the thresholds set for the current B1 rating.

Factors that could lead to an upgrade

The rating could be upgraded if Telenet:

- improves its operating performance significantly
- demonstrates a clear commitment to maintaining its Moody's-adjusted gross debt/EBITDA below 4.75x on a sustained basis
- increases its Moody's-adjusted cash flow from operations (CFO)/debt well above 15%
- maintains strong margins

Factors that could lead to a downgrade

The rating could be downgraded if:

- the company's operating performance deteriorates further because of, for instance, the entry of a new operator in the market
- its business profile weakens, for instance, in the event of a potential network separation
- 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
- its Moody's-adjusted CFO/debt falls below 10% and FCF (after capital spending and dividends) deteriorates further

Key indicators

Exhibit 2

Telenet Group Holding NV

(in € billions)	2018	2019	2020	2021	2022	2023*	2024F	2025F
Revenue	2.5	2.6	2.6	2.6	2.7	2.9	2.9	2.9
Debt / EBITDA	4.5x	4.5x	4.3x	4.5x	5.1x	5.4x	5.5x	5.6x
RCF / Net Debt	5.7%	14.9%	13.8%	13.1%	14.6%	-7.1%	14.3%	13.7%
(EBITDA - Capex) / Interest Expense	2.4x	2.9x	3.3x	4.0x	2.5x	1.7x	0.5x	0.2x
CFO / Debt	18.9%	17.5%	18.0%	16.3%	15.9%	13.9%	14.0%	13.8%
FCF / Debt	-3.6%	7.7%	2.0%	1.9%	4.0%	-15.1%	-1.6%	-3.0%
EBITDA Margin %	51.0%	49.1%	49.2%	47.9%	48.1%	45.0%	44.0%	43.5%
EBITA / Interest Expense	3.5x	3.2x	4.0x	4.3x	3.2x	2.6x	2.1x	2.1x

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Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

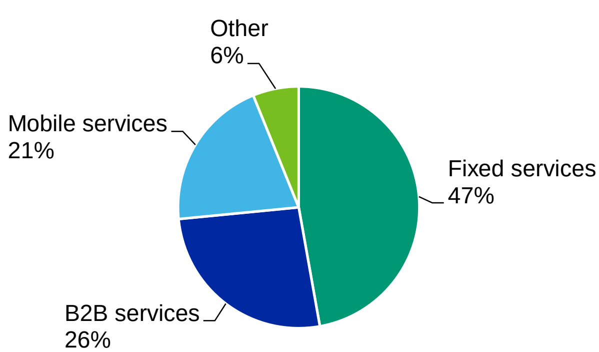
Profile

Headquartered in Mechelen, Belgium, Telenet Group Holding NV is a provider of broadband, video, fixed line telephony and mobile communications services predominantly in Belgium but also in Luxembourg.

Telenet generated revenue of €2,855 million and company-adjusted EBITDA of €1,373 million in 2023. The company is fully owned by Liberty Global.

Exhibit 3

Most of Telenet's revenue is generated from broadband, TV and mobile services
Revenue breakdown by product (2023)



Source: Company data

Recent developments

Take-private transaction and change in financial policy

On 21 March 2023, Liberty Global announced its intention to launch a voluntary and conditional takeover offer for all the shares of its subsidiary Telenet Group it did not already own. The transaction was finalised on 13 October 2023.

On 31 October 2023, Telenet announced its intention to revise its net leverage target to 4x-5x from 3.5x-4.5x (September 2023: 3.2x/ December 2023: 4.1x).[1]. The announcement was in line with the guidelines provided in the take-private prospectus from 6 June 2023.

On 15 February 2024, Telenet announced that it had upstreamed a special dividend of €1,190 million to its parent, Liberty Global Holding Belgium B.V. (a subsidiary of Liberty Global), in Q4 2023. The shareholder distribution was funded through the issuance of a 5-year €890 million sustainability linked term loan and €300 million of cash on balance sheet.

The cash that was upstreamed to the parent was used to repay the debt raised to fund the take-private transaction of Telenet; previously it was sitting at the Liberty Global Belgium Holding level.

Communication of the Belgian regulator on cooperation agreements to roll out full-fibre networks

On 10 October 2023, the Belgian Institute for Postal Services and Telecommunications (BIPT) announced its readiness to assess agreements or draft agreements related to the development of full-fibre networks in Belgium. BIPT recognises that infrastructure-based competition is one of the objectives under the current regulatory framework. At the same time, it also acknowledges the economic impact of duplicating full-fibre infrastructure.

Detailed credit considerations

Change in financial policy and subsequent debt push-down have weakened Telenet's credit quality

We estimate that the debt issuance and use of cash for the special dividend to Liberty Global have increased Telenet's Moody's-adjusted debt/EBITDA by 0.7x to around 5.4x, see Exhibit 4, and its Moody's-adjusted net debt/EBITDA by 0.9x to around 4.8x.

These levels are above the thresholds for the previous Ba3 rating. We had previously stated that we could downgrade Telenet's rating to B1 should the company's financial profile weaken because of the higher net leverage target.

Exhibit 4

Moody's-adjusted debt/EBITDA was 5.4x as of the end of December 2023

Moody's-adjusted debt/EBITDA and net debt/EBITDA reconciliation for 2022 and 2023

(in € millions)	2022	2023*
Term Loan AR (SOFR 0%)+2%	2,145.6	2,078.3
Term Loan AQ (EURIBOR 0%)+2.25%	1,123.7	1,113.2
USD 1000m SSN due 2028 (5.5%) fixed	958.0	928.1
€600m SSN due 2028 (3.5%) fixed	548.0	548.7
Term Loan AT1 (EURIBOR+3%)		892.9
Long term debt obligations	**4,775.3**	**5,561.2**
Lease obligation	987.7	631.4
Mobile spectrum	399.7	389.3
Vendor financing (EURIBOR 0%)+1.95%	350.1	350.1
Other debt	141.6	44.3
Deferred financing costs		(23.0)
Total reported debt	**6,654.4**	**6,953.3**
Pension adj.	3.2	3.2
Fair value adj.	(179.4)	
Moody's-adjusted debt	**6,478.2**	**6,956.5**
Moody's-adjusted Debt/EBITDA	**5.1x**	**5.4x**
Moody's-adjusted Net Debt/EBITDA	**4.2x**	**4.7x**

(in € millions)	2022	2023*
Company-adjusted EBITDA	**1,373.8**	**1,373.3**
Share-based compensation	(9.2)	(37.2)
Operating charges related to acquisitions or divestitures	(15.4)	(14.4)
Restructuring expenses	(2.4)	(6.8)
Measurement adjustment related to business acquisitions	(0.8)	1.4
Company reported EBITDA	**1,346.0**	**1,316.3**
Interest income (+)	3.6	35.0
Equity accounted income	(3.4)	(4.6)
Adjustment for broadcasting rights	(79.4)	(65.0)
Exceptionals not adjusted for	15.7	2.0
Moody's-adjusted EBITDA	**1,282.5**	**1,283.7**

All figures and ratios are based on adjusted financial data and incorporate Moody's Global Standard Adjustments for Non-Financial Corporations. Periods are financial year-end unless indicated. *2023 based on preliminary financial information.
Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

We forecast Moody's-adjusted leverage to increase towards 5.5x-5.6x in 2024-25 from 5.4x in 2023 in the context of a continued decline in EBITDA, together with stable debt levels.

Creation of Wyre provides visibility into Telenet's long-term fibre strategy; uncertainties remain around the future ownership of the asset

The creation of Wyre[2] provides clarity on Telenet's long-term fibre strategy and may generate higher revenue for the company through wholesale agreements. Wyre aims to cover 78% of the Flanders region by 2038, with most of the coverage (around 70%) to be achieved by 2030. The independence of Wyre from Telenet is a key factor in attracting new customers and optimising the company's revenue base, given its high market share in retail.

Nevertheless, Wyre will remain exposed to overbuild risk because of the step-up in fibre investments from Proximus. This risk has, however, been mitigated by the recent communication by the Belgian regulator around the potential collaboration for the rollout of full-fibre networks.

Uncertainties remain around the future ownership of the asset and the pace at which Telenet might start to monetise its stake in Wyre. After the take-private transaction, the value crystallisation of Liberty Global's investment in Telenet will depend largely on the monetisation of Wyre.

Our current rating assessment is based on the assumption that Telenet will continue to fully consolidate Wyre. However, we would need to reassess Telenet's rating should the company decide to reduce its stake in Wyre and deconsolidate the entity by bringing new shareholders into the structure or fully dispose of the asset.

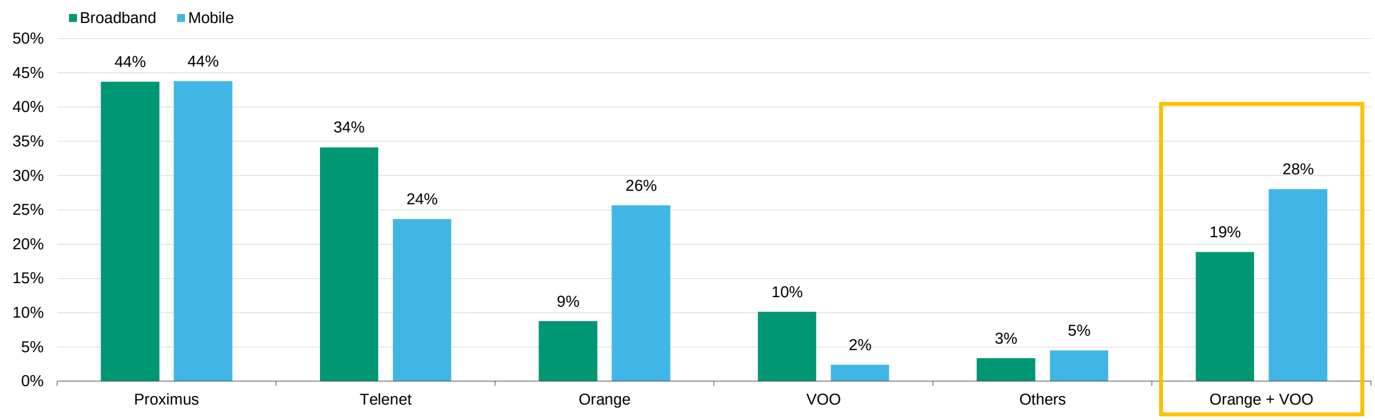
Position as the number two and three operator in the Belgian broadband and mobile markets, respectively

Telenet benefits from its position as one of the leading telecom operators in Belgium. As Exhibit 5 shows, Telenet is the number two broadband operator by the number of lines in Belgium, with a market share of around 34%, behind Proximus and ahead of Orange Belgium and VOO. In mobile, the company ranks third, with a market share of around 24%, after Proximus and Orange Belgium.

Exhibit 5

Telenet is the number two broadband operator in Belgium

Broadband and mobile market shares, by number of connections, as of December 2022



Sources: BIPT, company data and Moody's Ratings forecasts

Telenet currently operates its own fixed network across the whole Flemish territory[3] and in parts of Brussels. Telenet's market position is particularly strong in the Flanders region where the company retains a broadband market share of around 50%-60%. In Wallonia, the wholesale deal with Orange Belgium as part of the VOO transaction has granted the company near-nationwide broadband coverage.[4] Telenet aims to reach a market share of around 10% in the region over the long term.

Telenet's competitive position continues to be supported by its DOCSIS 3.1-enabled network, which offers download speeds of up to 1 Gbps throughout its footprint, and a clear road map towards an upgrade of its network to FTTH in more than two-thirds of the footprint.

Upcoming arrival of Digi in the market will increase competition

At the 5G Spectrum auction in June 2022, Romania-based Digi acquired spectrum in Belgium for the first time bidding as a joint venture (49%/51%) with Citymesh, a part of the Belgium-headquartered IT group Cegeka.

Digi plans to enter the market with a mobile offer in the second half of 2024, supported by the recently signed roaming agreement with Proximus. We expect Digi to gain a market share of around 5%-10% in mobile over the first five years of operation in the country, and to be very aggressive on price, undercutting existing offers. While new entrants have previously disrupted other European telecom markets, such as France and Italy after the arrival of Iliad Holding S.A.S. (Ba3 stable), we expect the overall impact of Digi on the market to be less severe than those and more gradual.

The overall impact of Digi on the market will also depend on the Romanian operator's ability to launch a convergent proposition and on the reaction of the other operators in terms of pricing before and after the launch of its offers. In this regard, the pricing environment in Belgium has become more promotional in recent months, particularly in the low end of the market. Notable examples include 20%-25% lifetime discounts for Telenet's brand BASE.

The prices of telecom offerings in Belgium are typically reviewed annually. Pricing adjustments have been historically implemented mostly in fixed and convergent offerings but more recently we have seen increases also in mobile-only offers. These increases offset the effect of mandatory wage indexation in the country[5]. All the main operators, including Orange Belgium, which had not done so before, hiked prices in 2023 in view of high inflation.

Pressure on revenue and EBITDA growth in 2024-25 amid Digi's arrival and a step-up in marketing and commercial costs

For 2024, we forecast the company's revenue to remain flat. This is largely a function of the potential impact from the arrival of Digi and our assumption that promotional activities will continue in the market. The migration of VOO customers to Orange Belgium's network, following the loss of the MVNO agreement after the merger — fully annualised over 2024 — will be another drag on revenue growth next year. For 2025, we forecast revenue to be moderately negative as the negative impact from Digi will be present for the whole year.

While we expect some upside from the expansion in Wallonia, we could revise our forecasts down if the impact of Digi on the market were to be more severe and less gradual than we expect.

We forecast company-adjusted EBITDAaL to decline by around 4% in 2024 and by around 1% in 2025. The expectation of the deterioration in 2024 is largely driven by higher commercial and marketing costs related to the launch of Telenet's fixed proposition in Wallonia, together with the loss of the MVNO agreement with VOO. Telenet's profitability will be hurt also by the mandatory wage indexation, with an increase in 2024 significantly lower than 2023 levels. The reduction in energy costs over the year will not be sufficient to mitigate the negative impact from these factors.

The phasing out of the negative impact from the loss of the MVNO agreement, together with a continued decline in energy costs over the year, should support a more benign EBITDA trajectory over 2025. After 2024, Telenet's commercial and marketing costs should normalise. However, these costs will remain high as a result of Digi's arrival, together with the need to push its convergent offering in Wallonia.

Moody's-adjusted FCF to weaken because of the full-fibre upgrade

We forecast Telenet's FCF to weaken significantly in 2024 because of the impact from the step-up in capital spending to fund the full-fibre upgrade. We forecast Moody's-adjusted FCF (before dividends) will be modestly negative over 2024 before deteriorating further in 2025 as EBITDA will likely decline further and capital spending will step up again.

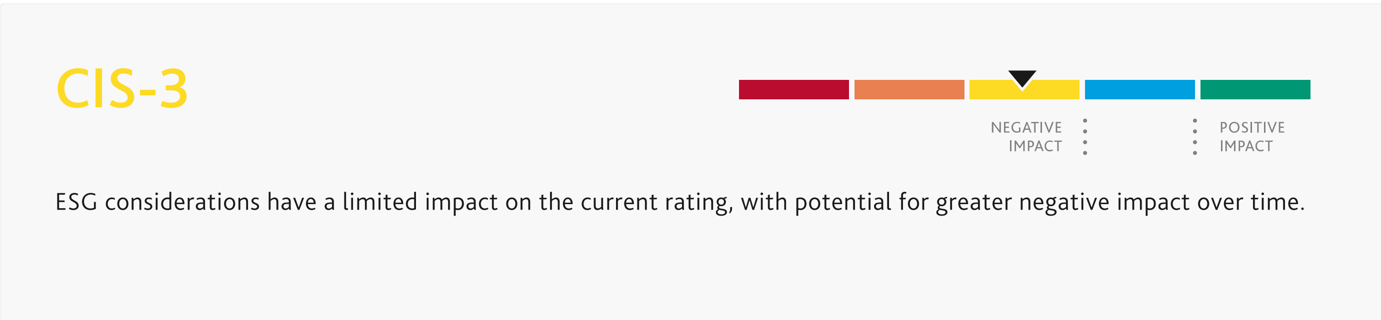
We forecast capital intensity, calculated as Moody's-adjusted capital spending/revenue, will increase to around 38% in 2024 and 41% in 2025 from 21% in 2023. This is equivalent to company-reported capital spending of €1 billion and €1.1 billion in 2023 and 2024, respectively. Nevertheless, our estimates are subject to potential revisions due to the communication by the regulator around cooperation in full-fibre deployment across the country and the ongoing discussions among operators.

Overall Moody's-adjusted CFO/debt should remain broadly unchanged at around 14% over the next 24 months, versus 2023. Our current assumptions also capture a broadly stable vendor-financing programme over the period[6].

ESG considerations

Telenet Group Holding NV's ESG credit impact score is CIS-3

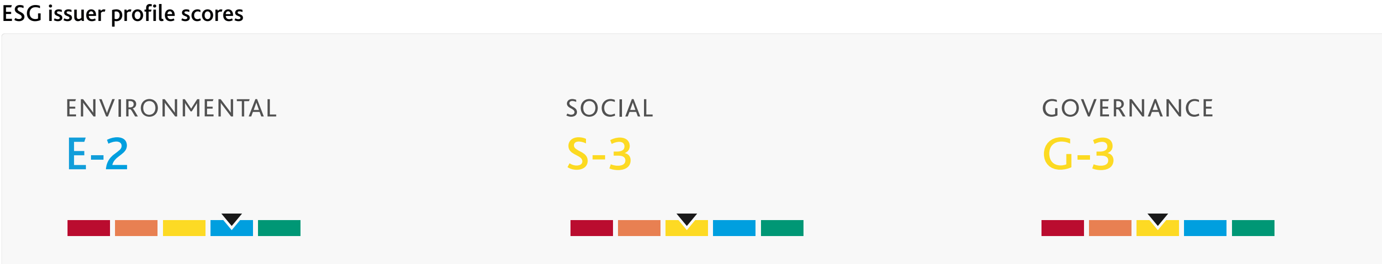
Exhibit 6
ESG credit impact score



Source: Moody's Ratings

Telenet's **CIS-3** indicates that ESG considerations have a limited impact on the current rating. This reflects social risks, including industrywide exposure to customer data security and privacy, but also pressure on its video segment, as well as governance risks, reflecting the company's appetite for leverage, together with its concentrated shareholder structure.

Exhibit 7
ESG issuer profile scores



Source: Moody's Ratings

Environmental

Telenet's exposure to environmental risks is neutral to low and is in line with the overall industry. The environmental risk score of **E-2** reflects Telenet's limited exposure to physical climate risks because of the concentration of its operations in Belgium and Luxembourg.

Social

Telenet's **S-3** score reflects industrywide exposure to data privacy and security risks as the company holds significant information on its subscriber base. Other social risks include exposure to changing demographic and societal trends, which contribute to the structural pressure on the company's video/pay-TV operations.

Governance

Telenet's G-3 reflects the company's tolerance for leverage as demonstrated by its financial policy, which aims to increase net leverage (as reported by the company) to 4x-5x from 3.5x-4.5x previously. Our governance assessment for Telenet also reflects the company's concentrated shareholder structure as the parent Liberty Global fully owns the business after the take-private transaction.

While Telenet was previously a publicly listed company, its overall strategy and financial policy were already strongly influenced by Liberty Global, which nominates five out of nine members on the board of directors.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Liquidity analysis

Telenet benefits from a good liquidity profile, which is supported by €823 million in cash and cash equivalents as of 31 December 2023; access to three revolving credit facilities, currently undrawn, for a total of €620 million due 2026 (€50 million) and 2029 (€570 million), respectively; and a €25 million overdraft facility due 2024. Telenet's high cash balance could decrease further after the shareholder distribution completed in Q4 2023, as an additional portion could be upstreamed to the parent company, Liberty Global.

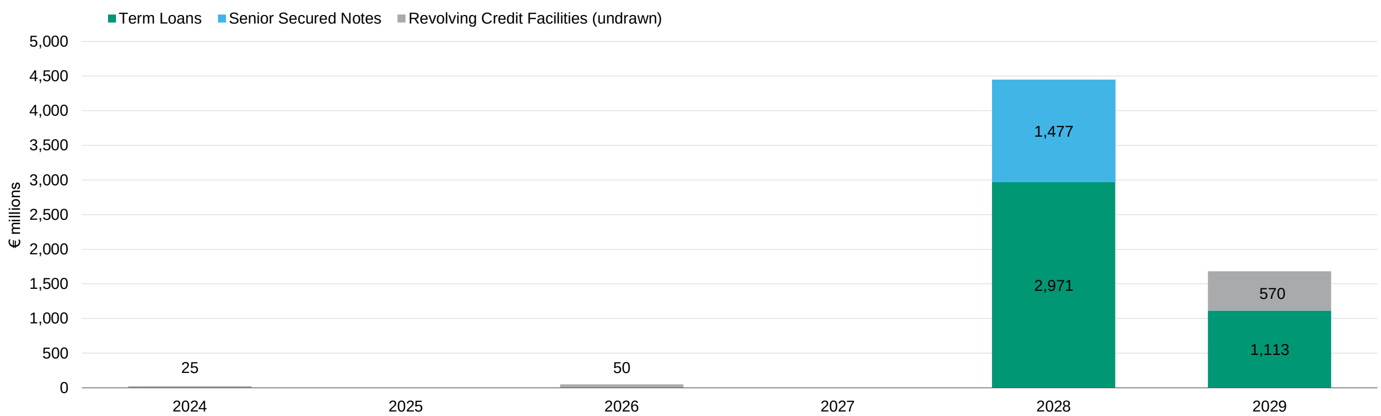
Telenet's liquidity profile also benefits from a long-dated maturity profile, with floating-rate debt fully swapped to maturity. As of December 2023, outstanding vendor-financing obligations amounted to €350 million. Beyond this, the next significant debt maturity will be in 2028, when more than €3.5 billion of term loans and senior secured notes will come due, as Exhibit 8 shows.

In accordance with the senior secured credit facility, Telenet is restricted by a financial maintenance covenant (leverage ratio test of net total debt/EBITDA at 6.0x, to be tested when the revolving credit facility is 40% drawn), under which we expect the company to maintain good capacity.

Exhibit 8

No significant maturities for Telenet before 2028

Telenet's debt maturity profile as of December 2023



Debt maturity chart excluding vendor-financing obligations, which amounted to €350.1 million as of 31 December 2023.
Source: Company data

Structural considerations

Telenet's B1-PD probability of default rating 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 senior secured bank credit facilities benefit from first-ranking security over shareholder loans in the Telenet group and over the shares of the borrowers and guarantors, as well as from upstream guarantees from subsidiaries accounting for at least 80% of group consolidated EBITDA (excluding EBITDA attributable to any JV). Security packages consisting mainly of share pledges are relatively weak and therefore we rank these facilities pari passu with other unsecured liabilities. These include trade payables, lease rejection claims, pension obligations, handset financing liabilities, outstanding deferred payments on the acquisition of 4G and 5G mobile spectrum, and obligations beyond 20 years under the company's clientele fee agreement.

Methodology and scorecard

The scorecard-indicated outcome is Ba3 on a current and forward-looking basis, one notch higher than the actual rating assigned. The difference between the scorecard-indicated outcome and the actual rating assigned is largely a function of the weak credit metrics of the company, particularly in terms of interest coverage, and the overall uncertainties around the arrival of the new entrant in the market, together with potential further cash upstreaming to the parent.

The principal methodology used for rating Telenet is our Telecommunications Service Providers rating methodology.

Exhibit 9
Rating factors
Telenet Group Holding NV

Telecommunications Service Providers Industry Scorecard	Current FY Dec-23*		Moody's 12-18 month forward view	
Factor 1 : Scale (10%)	**Measure**	**Score**	**Measure**	**Score**
a) Revenue ($ billions)	3.2	B	3.2	B
Factor 2 : Business Profile (25%)				
a) Competitive Position	Ba	Ba	Ba	Ba
b) Market Share	Baa	Baa	Baa	Baa
Factor 3 : Profitability and Efficiency (10%)				
a) Revenue and Margin Sustainability	Baa	Baa	Baa	Baa
Factor 4 : Leverage and Coverage (40%)				
a) Debt / EBITDA	5.4x	B	5.5x - 5.6x	B
b) RCF / Net Debt	-7.1%	Ca	13.5% - 14.5%	B
c) (EBITDA - CAPEX) / Interest Expense	1.7x	B	0.2x - 0.5x	Ca
Factor 5 : Financial Policy (15%)				
a) Financial Policy	Ba	Ba	Ba	Ba
Rating:				
a) Scorecard-Indicated Outcome		Ba3		Ba3
b) Actual Rating Assigned				B1

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Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Appendix

Exhibit 10

Select historical and forecast Moody's-adjusted financial data

Telenet Group Holding NV

(in € millions)	2018	2019	2020	2021	2022	2023*	2024F	2025F
INCOME STATEMENT								
Revenue	2,534	2,584	2,575	2,596	2,665	2,855	2,858	2,853
Moody's-adjusted EBITDA	1,292	1,269	1,266	1,243	1,283	1,284	1,257	1,240
Company-adjusted EBITDA	*N/A*	*1,375*	*1,378*	*1,368*	*1,374*	*1,373*	*1,326*	*1,315*
Company-adjusted EBITDAaL	*N/A*	*1,257*	*1,254*	*1,250*	*1,246*	*1,279*	*1,253*	*1,242*
BALANCE SHEET								
Cash & Cash Equivalents	88	101	82	139	943	944	914	787
Total Debt	5,807	5,744	5,430	5,588	6,478	6,957	6,930	6,904
Net Debt	5,719	5,643	5,348	5,449	5,414	6,013	6,016	6,117
CASH FLOW								
Funds from Operations (FFO)	928	903	1,030	1,017	937	864	876	855
Cash Flow From Operations (CFO)	1,097	1,007	980	909	1,030	967	970	956
Capital Expenditures	(705)	(501)	(580)	(499)	(621)	(721)	(1,079)	(1,163)
o/w capex as reported	*(404)*	*(412)*	*(472)*	*(479)*	*(521)*	*(642)*	*(1,000)*	*(1,084)*
Dividends	599	63	292	306	149	1,299		
Retained Cash Flow (RCF)	329	841	738	711	788	(434)	876	855
RCF / Debt	5.7%	14.6%	13.6%	12.7%	12.2%	-6.2%	12.6%	12.4%
RCF / Net Debt	5.7%	14.9%	13.8%	13.1%	14.6%	-7.1%	14.3%	13.7%
Free Cash Flow (FCF)	(207)	443	107	104	139	(1,053)	(110)	(207)
FCF / Debt	-3.6%	7.7%	2.0%	1.9%	4.0%	-15.1%	-1.6%	-3.0%
PROFITABILITY								
% Change in Sales (YoY)	0.5%	2.0%	-0.3%	0.8%	2.7%	1.3%	0.0%	-0.2%
EBITDA margin %	51.0%	49.1%	49.2%	47.9%	48.1%	45.0%	44.0%	43.5%
INTEREST COVERAGE								
(EBITDA-CAPEX) / Interest Expense	2.4x	2.9x	3.3x	4.0x	2.5x	1.7x	0.5x	0.2x
EBITDA / Interest Expense	5.3x	4.8x	6.1x	6.6x	4.8x	3.9x	3.3x	3.2x
LEVERAGE								
Debt / EBITDA	4.5x	4.5x	4.3x	4.5x	5.1x	5.4x	5.5x	5.6x
Net Debt / EBITDA	4.4x	4.5x	4.2x	4.4x	4.2x	4.8x	4.9x	5.0x

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Sources: Moody's Financial Metrics™ and Moody's Ratings forecasts

Ratings

Exhibit 11

Category	Moody's Rating
TELENET GROUP HOLDING NV	
Outlook	Stable
Corporate Family Rating	B1
PARENT: LIBERTY GLOBAL PLC	
Outlook	Negative
Corporate Family Rating	Ba3
TELENET FINANCING USD LLC	
Outlook	Stable
Bkd Sr Sec Bank Credit Facility	B1/LGD4
TELENET INTERNATIONAL FINANCE S.AR.L.	
Outlook	Stable
Bkd Sr Sec Bank Credit Facility -Dom Curr	B1/LGD4
TELENET FINANCE LUXEMBOURG NOTES S.A R.L.	
Outlook	Stable
Senior Secured -Fgn Curr	Ba3/LGD3
Senior Secured -Dom Curr	B1/LGD4

Source: Moody's Ratings

Endnotes

1 For the purpose of its leverage calculations, Telenet's net debt excludes lease-related liabilities, while EBITDA is calculated after lease payments (EBITDAaL)

2 Telenet owns 66.8% of Wyre, while Fluvius retains 33.2%. Wyre is fully consolidated by Telenet.

3 Before the transaction with Fluvius, Telenet covered two-thirds of the Flemish territory with its fixed network.

4 On 30 January 2023, Telenet and Orange Belgium signed an agreement to provide access to each other's fixed networks for a 15-year period. Since 2016, Orange Belgium has been using Telenet's cable network to deliver fixed internet and TV services, using a regulated open access model. The new agreement also includes access to future full-fibre deployments.

5 Based on the Belgium Health Index and set at 1.5% for 2024, down from 11% in 2023.

6 The company started implementing its vendor-financing programme in H2 2016, which allowed it to extend its payment terms with suppliers to up to 360 days by using a bank intermediary, reduce overall funding costs and achieve some debt diversification. Telenet's vendor-financing obligations stood at €350 million in December 2023. The vendor-financing programme has a net positive impact on the company's FCF because of lower cash capital spending payments and the 360-day payment lag associated with vendor financing.

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CLIENT SERVICES

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