FitchRatings

Corporates
Telecommunications
Luxembourg

Telenet Group Holding N.V

The affirmation of Telenet Group Holding N.V's rating reflects its strong market position, scaled network infrastructure that drives strong profitability and operating cash flow. Fibre network capex and entry of a fourth mobile network operator (Digi) could result in mounting competitive pressure and raise leverage, albeit within the rating's thresholds.

The credit profile could be shaped over the short-to-medium term by Digi's market share gains in Belgium; reductions in Telenet's shareholding of Wyre; a wholesale agreement between Telenet and Orange, giving the former access to Wallonia and the remainder of Brussels; and, benefits of a potential agreement with Proximus, which could increase fixed-market penetration and save on the fibre rollout plan.

Key Rating Drivers

New Entrant to Increase Competition: Digi entered the Belgian consumer market in December 2024, deploying a nationwide 4G network coverage in cooperation with Citymesh, a local B2B operator. Fitch base case assumes Digi gains about 10% of the total mobile subscriber market share in its first five years. This could prove an aggressive assumption if Digi's performance is weaker than expected. However, it does discount a large proportion of the risk within our financial forecast and provides a strong basis for the rating.

Our base case assumes that, combined with price competition, this would cause Telenet's mobile revenue to drop by about 10% in 2024-2027. However, Telenet has a multi-subsector proposition that could support its market position.

Potential Fibre Deal with Proximus: Telenet and Proximus signed a memorandum of understanding in July 2024 for potential cooperation on fibre rollout in medium- and low-density areas in Flanders. Proximus will build 0.8 million homes in medium-dense areas, while Wyre will cover 1.2 million homes in medium-dense areas. The agreement is pending final terms and regulatory approvals.

Key value drivers include reduced network overbuild, increased penetration and network utilisation from the Proximus wholesale traffic, in additional to Telenet's and Orange's wholesale access. The deal could save on the initial EUR2 billion fibre-to-the-home (FTTH) rollout budget, assumed in our base case from 2026, and strengthens the collateral value of Telenet's assets.

Leverage Higher, Within Thresholds: We forecast EBITDA net leverage will rise to 4.4x by end-2024, from 4.2x at end-2023, and towards 4.7x at end-2027. Leverage will remain within our rating thresholds of 4.3x to 5.0x. Leverage rose in 2023 due to an additional EUR890 million debt in 4Q23 and a subsequent EUR1,190 million dividend paid to Liberty Global, which gained full ownership of Telenet in October 2023. This aligned with an announced change in target company-defined EBITDA (after leases) net leverage threshold to 4.0x-5.0x, from 3.5x-4.5x.

FTTH Investments to Drive Leverage: We expect capex to rise to 34%-35% of revenue in 2026-2027, from 32.7% in 2024 (2023: 23.1%), due to the intensified FTTH rollout. This will result in negative free cash flow (FCF) margins and cash from operations (CFO)-capex/debt, leading to a gradual fall in cash balance and a rise in EBITDA net leverage, but still below the 5.0x downgrade threshold. Capex above our base case and increased competitive strain could put pressure on the rating. We do not expect Telenet to pay dividends as long as it remains FCF negative.

Ratings

Telenet Group Holding N.V

Long-Term IDR	BB-
Short-Term IDR	B

Outlook

Long-Term Foreign-Currency IDR	Stable

Telenet Finance Luxembourg Notes S.a.r.l.

Senior Secured Debt – Long-Term Rating	BB+

Telenet Financing USD LLC

Senior Secured Debt - Long-Term Rating	BB+

Telenet International Finance Sarl

Senior Secured Debt - Long-Term Rating	BB+

Click here for the full list of ratings

ESG and Climate

Highest ESG Relevance Scores

Telenet Group Holding N.V

Environmental	3
Social	3
Governance	3
2035 Climate Vulnerability Signal:	17

Applicable Criteria

Corporate Rating Criteria (December 2024)

Corporate Recovery Ratings and Instrument Ratings Criteria (August 2024)

Sector Navigators – Addendum to the Corporate Rating Criteria (December 2024)

Related Research

Global Corporates Macro and Sector Forecasts

European Altnets & Cable — Relative Credit Analysis (January 2024)

Western European Telecoms Outlook 2025 (January 2025)

Analysts

Rafal Kaminski
+48 22 103 3040
rafal.kaminski@fitchratings.com

Tonya Krokatsis
+44 20 3530 2624
tonya.krokatsis@fitchratings.com

Lower EBITDA Margin Remains Flat: We expect the Fitch-defined EBITDA margin to decline to 40.4% in 2024, from 41.9% in 2023, and stabilise at this level over 2025-2027. The lower margin is due to a competitive market, especially before Digi's launch; increased marketing investments; loss of the wholesale contract with VOO MVNO, after its acquisition by Orange Belgium; and the ramp-up of entering the Wallonia market and previously unserved communes of Brussels. We expect the margin to remain tempered by intensified competition when Digi unveils its offer.

Ramp-Up Phase in New Regions: Telenet gained access to Wallonia and the remaining third of Brussels under a 2023 15-year agreement with Orange Belgium, granting each other access to their respective hybrid-fibre coaxial and future FTTH networks. This will solidify Telenet's status as a nationwide fixed-mobile convergence provider. It is in a ramp-up phase to build momentum in a new market it has entered with the alternative 'value-for-money' BASE brand, an expansion that will involve additional expenses and lower revenue margins due to wholesale costs.

Infrastructure Impact on Credit Profile: Telenet's rating is based on a full consolidation of network infrastructure provider Wyre, in line with the company's financial accounting. A reduction in its 66.8% stake in Wyre could lead to a proportionate or deconsolidated financial approach to incorporating its ownership in the latter. It may also lead to a tangible tightening of the leverage thresholds, reflecting the loss of a core operating asset and a change in operating profile.

Financial Summary

(EURm)	2021	2022	2023	2024F	2025F	2026F
Gross revenue	2,596	2,665	2,855	2,866	2,881	2,882
EBITDA margin (%)	45.3	43.8	42.0	40.4	40.4	40.4
CFO-Capex / Debt (%)	8.0	8.0	3.9	(1.5)	(2.2)	(2.5)
EBITDA net leverage (x)	4.2	3.5	4.2	4.4	4.5	4.6
EBITDA interest coverage (x)	8.1	6.3	3.5	5.0	5.1	5.2

Source: Fitch Ratings, Fitch Solutions, Telenet

Rating Derivation Relative to Peers

Telenet's ratings are driven by a solid operating profile, underpinned by a strong network footprint in Flanders and part of Brussels, expansion in other parts of Belgium through its wholesale agreement with Orange Belgium, and a sustainable competitive position. Cash flow generation has been strong, but will be tempered by large capex related to the fibre rollout. We expect Telenet's market position to erode gradually, due to our assumption that Digi will increase market share.

Following Liberty Global's acquisition of the remaining stake in Telenet in October 2023, the latter has increased its net debt/EBITDA (after leases) leverage target to 4.0x-5.0x, from the mid-point of a 3.5x-4.5x range, and subsequently increased leverage to 4.2x by end-FY23 through a dividend recapitalisation. This is higher than western European investment-grade telecom peers and more aligned with other peers from the Liberty Global portfolio, such as VMED O2 UK Limited (BB-/Negative) and The Sunrise Holding Group (BB-/Positive).

Telenet has a similarly strong operating profile to that of NOS, S.G.P.S, S.A. (BBB/Stable), with higher leverage accounting for the former's lower rating. Its revenue visibility is strong across the sector (investment and sub-investment grade).

Navigator Peer Comparison

Issuer		Business profile						Financial profile		
	IDR/Outlook	Operating Environment	Management and Corporate Governance	Market Position	Diversification	Technology and Infrastructure	Regulatory Environment	Profitability	Financial Structure	Financial Flexibility
NOS, S.G.P.S., S.A.	BBB/Stable	a+	bbb	bbb	bbb	a-	bbb	bbb	bbb+	a-
Royal KPN N.V.	BBB/Stable	aa	a-	bbb+	bbb	a-	bbb	bbb+	bbb	a
Telenet Group Holding N.V	BB-/Stable	aa	bbb+	bbb+	bb+	bbb+	bbb-	bbb+	b+	bbb
VMED O2 UK Limited	BB-/Negative	aa	a-	bbb+	bbb	a-	bbb+	bbb+	b	bb
VodafoneZiggo Group B.V.	B+/Stable	aa	bbb	bbb+	bbb-	bbb+	bbb	bbb+	b	bb+

Source: Fitch Ratings.

Relative Importance of Factor: Higher | Moderate | Lower

Issuer		Business profile						Financial profile		
Name	IDR/Outlook	Operating Environment	Management and Corporate Governance	Market Position	Diversification	Technology and Infrastructure	Regulatory Environment	Profitability	Financial Structure	Financial Flexibility
NOS, S.G.P.S., S.A.	BBB/Stable	+4	0	0	0	+2	0	0	+1	+2
Royal KPN N.V.	BBB/Stable	+6	+2	+1	0	+2	0	+1	0	+3
Telenet Group Holding N.V	BB-/Stable	+10	+5	+5	+2	+5	+3	+5	-1	+4
VMED O2 UK Limited	BB-/Negative	+10	+6	+5	+4	+6	+5	+5	-2	+1
VodafoneZiggo Group B.V.	B+/Stable	+11	+5	+6	+4	+6	+5	+6	-1	+3

Source: Fitch Ratings.

Factor Score Relative to IDR: Worse positioned than IDR | Within one notch of IDR | Better positioned than IDR

Rating Sensitivities

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

- A weaker operating environment due to increased competition from either mobile or cable wholesale, or a new market entrant, such as Digi, leading to a larger market share loss than Fitch expects and a decrease in EBITDA;
- Fitch-defined EBITDA net leverage consistently above 5.0x and EBITDA interest cover consistently below 4.5x;
- A change in financial or dividend policy leading to higher leverage targets;
- CFO-capex/debt below 3.0% on a sustained basis.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

Positive rating action unlikely in the short-to-medium term, given our base case FCF and leverage profiles, but would be driven by the following two factors, if performance was better than we expect.

- Fitch-defined EBITDA net leverage falling below 4.3x on a sustained basis;
- CFO-capex/debt above 7.5% on a sustained basis.

Liquidity and Debt Structure

Telenet had a cash balance of EUR961 million at end-September 2024. The company's liquidity position is further supported by undrawn revolving credit facilities of EUR590 million due in 2026 (EUR20 million) and 2029 (EUR570 million), and a EUR25 million roll-over overdraft facility.

The group has a long-dated debt maturity profile, with no large debt maturities until 2028. We expect an unusually high cash position (which is driven by the proceeds from the mobile tower disposal completed in June 2022) to gradually decrease, as it is used to support the fibre rollout plan, most of which is planned by 2029.

ESG Considerations

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit-neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

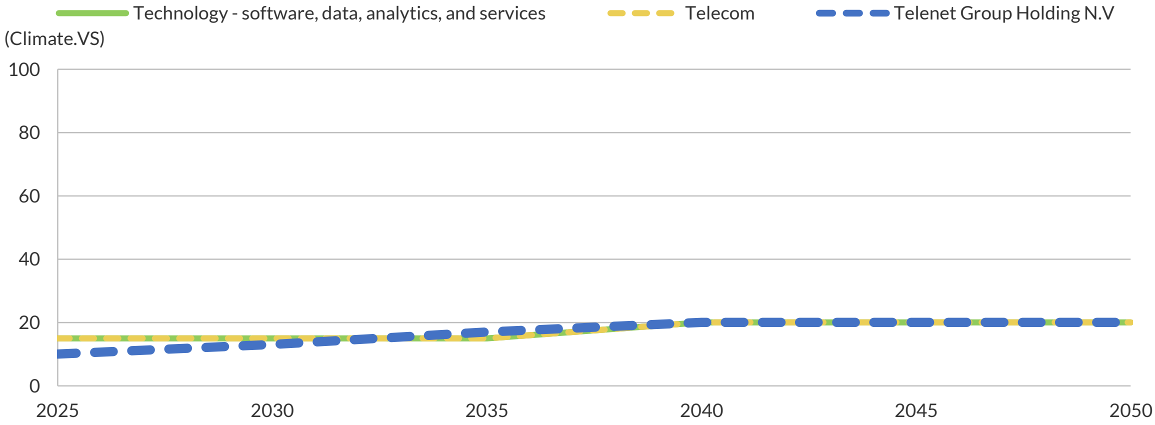
Climate Vulnerability Considerations

Fitch uses Climate Vulnerability Signals (Climate.VS) as a screening tool to identify sectors and Fitch-rated issuers that are potentially most exposed to credit-relevant climate transition risks and, therefore, require additional consideration of these risks in rating reviews. Climate.VS range from 0 (lowest risk) to 100 (highest risk). For more information on Climate.VS, see Fitch's Corporate Rating Criteria. For more detailed, sector-specific information on how Fitch perceives climate-related transition risks, see Climate Vulnerability Signals for Non-Financial Corporate Sectors.

The FY23 revenue-weighted Climate.VS for Telenet for 2035 is 17 out of 100, suggesting low exposure to climate-related risks in that year.

Climate.VS Evolution

As of 9 January 2023



Source: Fitch Ratings

Liquidity and Debt Maturities

Liquidity Analysis

(EURm)	2024F	2025F	2026F
Available liquidity			
Beginning cash balance	823	721	594
Rating case FCF after acquisitions and divestitures	-102	-127	-145
Total available liquidity (A)	**721**	**594**	**448**
Liquidity uses			
Debt maturities	—	—	—
Total liquidity uses (B)	**—**	**—**	**—**
Liquidity calculation			
Ending cash balance (A+B)	721	594	448
Revolver availability	615	615	615
Ending liquidity	**1,336**	**1,209**	**1,063**
Liquidity score (x)	Not meaningful	Not meaningful	Not meaningful

Source: Fitch Ratings, Fitch Solutions, Telenet

Scheduled Debt Maturities

(EURm)	31 December 2023
2024	—
2025	—
2026	—
2027	—
2028	4,408
Thereafter	1,404
Total	**5,812**

Source: Fitch Ratings, Fitch Solutions, Telenet

Key Assumptions

Fitch's Key Assumptions within the Rating Case for the Issuer

- Underlying revenue growth of 0.2%-0.5% in 2024 and 2025 (0.4% in 2024 against 2023 reported figures) and then flat revenue, affected by a decline in mobile revenue following Digi's entrance.
- Fitch-defined EBITDA margin to drop to 40.4% in 2024, from 41.9% in 2023, and remain flat, affected by competitive market environment, wage cost inflation and increased marketing spend. We forecast EBITDA margins will be affected by additional costs of expansion in Wallonia in 2024 and 2025 and pricing pressures from the fourth market participant in 2025 and beyond.
- Capex/sales ratio (excluding spectrum payments and amortisation of broadcasting rights) of 33.8% in 2024 increasing to about 36% in 2025-2027, driven by Wyre's fibre roll-out ramp-up. Our base case includes savings in 2026-2027 stemming from the fibre rollout cooperation with Proximus. Investment plan continues beyond our forecast horizon.
- No dividend payments in 2024-2027.

Financial Data

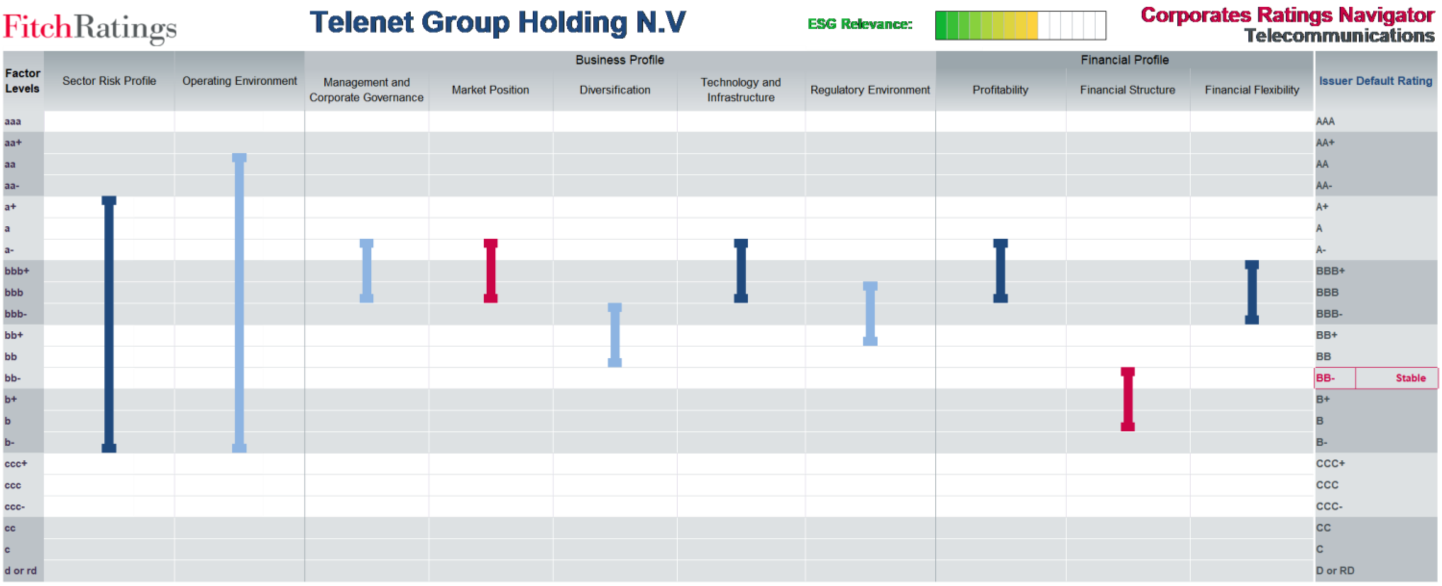
(EURm)	2021	2022	2023	2024F	2025F	2026F
Summary income statement						
Gross revenue	2,596	2,665	2,855	2,866	2,881	2,882
Revenue growth (%)	0.8	2.7	7.1	0.4	0.5	—
EBITDA before income from associates	1,175	1,167	1,198	1,158	1,164	1,163
EBITDA margin (%)	45.3	43.8	42.0	40.4	40.4	40.4
EBITDA after associates and minorities	1,175	1,167	1,198	1,158	1,164	1,163
EBIT	573	533	421	194	196	187
EBIT margin (%)	22.1	20.0	14.8	6.8	6.8	6.5
Gross interest expense	-160	-222	-349	-230	-226	-224
Pre-tax income including associate income/loss	507	1,143	400	-20	-18	-27
Summary balance sheet						
Readily available cash and equivalents	140	1,064	823	721	594	448
Debt	5,118	5,183	5,812	5,812	5,812	5,812
Net debt	4,978	4,119	4,989	5,091	5,218	5,363
Summary cash flow statement						
EBITDA	1,175	1,167	1,198	1,158	1,164	1,163
Cash interest paid	-145	-186	-346	-230	-226	-224
Cash tax	-96	-87	-86	-87	-88	-88
Dividends received less dividends paid to minorities (inflow/outflow)	—	—	—	—	—	—
Other items before funds from operations (FFO)	-4	-3	-8	-2	-2	-2
FFO	931	891	789	854	860	859
FFO margin (%)	35.9	33.4	27.7	29.8	29.9	29.8
Change in working capital	-68	37	95	-5	-5	-5
CFO (Fitch-defined)	863	928	884	849	855	854
Total non-operating/non-recurring cash flow	—	—	—	—	—	—
Capex	-456	-514	-660	—	—	—
Capital intensity (capex/revenue) (%)	17.6	19.3	23.1	—	—	—
Common dividends	-306	-149	-109	—	—	—
FCF	101	265	115	—	—	—
FCF margin (%)	3.9	9.9	4.0	—	—	—
Net acquisitions and divestitures	1	740	-19	—	—	—
Other investing and financing cash flow items	124	29	-1,100	—	—	—
Net debt proceeds	-156	-87	753	—	—	—
Net equity proceeds	-13	-22	8	—	—	—
Total change in cash	58	925	-242	-102	-127	-145
Calculations for forecast publication						
Capex, dividends, acquisitions and other items before FCF	-761	77	-788	-1,080	-982	-999
FCF after acquisitions and divestitures	102	1,005	96	-88	-127	-145
FCF margin after net acquisitions (%)	3.9	37.7	3.4	-3.1	-4.4	-5.0
Gross leverage ratios (x)						
EBITDA leverage	4.4	4.4	4.9	5.0	5.0	5.0
CFO-capex/debt	8.0	8.0	3.9	-1.5	-2.2	-2.5
Net leverage ratios (x)						
EBITDA net leverage	4.2	3.5	4.2	4.4	4.5	4.6
CFO-capex/net debt	8.2	10.0	4.5	-1.7	-2.4	-2.7
Coverage ratios (x)						
EBITDA interest coverage	8.1	6.3	3.5	5.0	5.1	5.2

Source: Fitch Ratings, Fitch Solutions. Telenet

How to Interpret the Forecast Presented

The forecast presented above is based on Fitch Ratings' internally produced, conservative rating case forecast. It does not represent the forecast of the rated issuer. The forecast set out above is only one component used by Fitch Ratings to assign a rating or determine a rating outlook, and the information in the forecast reflects material but not exhaustive elements of Fitch Ratings' rating assumptions for the issuer's financial performance. As such, it cannot be used to establish a rating, and it should not be relied on for that purpose. Fitch Ratings' forecasts are constructed using a proprietary internal forecasting tool, which employs Fitch Ratings' own assumptions on operating and financial performance that may not reflect the assumptions that you would make. Fitch Ratings' own definitions of financial terms such as EBITDA, debt or free cash flow may differ from your own such definitions. Fitch Ratings may be granted access, from time to time, to confidential information on certain elements of the issuer's forward planning. Certain elements of such information may be omitted from this forecast, even where they are included in Fitch Ratings' own internal deliberations, where Fitch Ratings, at its sole discretion, considers the data may be potentially sensitive in a commercial, legal or regulatory context. The forecast (as with the entirety of this report) is produced strictly subject to the disclaimers set out at the end of this report. Fitch Ratings may update the forecast in future reports but assumes no responsibility to do so. Original financial statement data for historical periods is processed by Fitch Solutions on behalf of Fitch Ratings. Key financial adjustments and all financial forecasts credited to Fitch Ratings are generated by rating agency staff.

Ratings Navigator



Bar Chart Legend:	
Vertical Bars = Range of Rating Factor	Bar Arrows = Rating Factor Outlook
Bar Colors = Relative Importance	⇧ Positive
Higher Importance	⇩ Negative
Average Importance	⇳ Evolving
Lower Importance	▭ Stable

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Telenet Group Holding N.V

Corporates Ratings Navigator
Telecommunications

Operating Environment

aa+	Economic Environment	aa	Very strong combination of countries where economic value is created and where assets are located.
aa	Financial Access	aa	Very strong combination of issuer specific funding characteristics and of the strength of the relevant local financial market.
	Systemic Governance	aa	Systemic governance (eg rule of law, corruption; government effectiveness) of the issuer's country of incorporation consistent with 'aa'.
b-			
ccc+			

Management and Corporate Governance

a	Management Strategy	a	Coherent strategy and good track record in implementation.
a-	Governance Structure	bbb	Good CG track record but effectiveness/independence of board less obvious. No evidence of abuse of power even with ownership concentration.
bbb+	Group Structure	bbb	Some group complexity leading to somewhat less transparent accounting statements. No significant related-party transactions.
bbb	Financial Transparency	bbb	Good quality reporting without significant failing. Consistent with the average of listed companies in major exchanges.
bbb-			

Market Position

a	Market Position	a	Very strong and sustainable market share in primary markets (> 30%).
a-	Competition	bbb	Primary markets characterized by medium competitive intensity and/or moderate barriers to entry.
bbb+	Scale - EBITDA	bbb	>$1 billion
bbb			
bbb-			

Diversification

bbb	Service Platform Diversification	bbb	Operates several service platforms in primary markets but one is dominant.
bbb-	Geographic Diversification	bb	Limited geographic diversification.
bb+			
bb			
bb-			

Technology and Infrastructure

a	Ownership of Network	bbb	Owns its most important infrastructure but may lease some.
a-	Network and Service Quality	a	Market leading network in terms of coverage and technology deployment, with good quality of service.
bbb+			
bbb			
bbb-			

Regulatory Environment

bbb+	Regulatory Risk	bbb	Moderate.
bbb			
bbb-			
bb+			
bb			

Profitability

a	Volatility of Cash Flow	bbb	Volatility and visibility of cash flow in line with industry average.
a-	EBITDA Margin	a	35%
bbb+			
bbb			
bbb-			

Financial Structure

bb	EBITDA Leverage	b	5.5x
bb-	EBITDA Net Leverage	bb	3.6x
b+	(CFO-Capex)/Debt	ccc	Flat to Negative
b			
b-			

Financial Flexibility

a-	Financial Discipline	bbb	Financial policies less conservative than peers but generally applied consistently.
bbb+	Liquidity		One year liquidity ratio above 1.25x. Well-spread maturity schedule of debt but funding may be less diversified.
bbb	EBITDA Interest Coverage	bb	6.0x
bbb-	FX Exposure	a	Profitability potentially exposed to FX but efficient hedging in place. Debt and cash flows well-matched.
bb+			

How to Read This Page: The left column shows the three-notch band assessment for the overall Factor, illustrated by a bar. The right column breaks down the Factor into Sub-Factors, with a description appropriate for each Sub-Factor and its corresponding category.

Credit-Relevant ESG Derivation

Telenet Group Holding N.V has 8 ESG potential rating drivers

- Energy and fuel use in networks and data centers
- Networks exposed to extreme weather events (e.g. hurricanes)
- Data security; service disruptions
- Impact of labor negotiations and employee (dis)satisfaction
- Governance is minimally relevant to the rating and is not currently a driver.

			Overall ESG
key driver	0	issues	5
driver	0	issues	4
potential driver	8	issues	3
not a rating driver	1	issues	2
	5	issues	1

For further details on Credit-Relevant ESG scoring, see page 3.

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Telenet Group Holding N.V

Corporates Ratings Navigator
Telecommunications

Credit-Relevant ESG Derivation

Telenet Group Holding N.V has 8 ESG potential rating drivers

- Telenet Group Holding N.V has exposure to energy productivity risk but this has very low impact on the rating.
- Telenet Group Holding N.V has exposure to extreme weather events but this has very low impact on the rating.
- Telenet Group Holding N.V has exposure to customer accountability risk but this has very low impact on the rating.
- Telenet Group Holding N.V has exposure to labor relations & practices risk but this has very low impact on the rating.
- Governance is minimally relevant to the rating and is not currently a driver.

			ESG Relevance to Credit Rating
key driver	0	issues	5
driver	0	issues	4
potential driver	8	issues	3
not a rating driver	1	issues	2
	5	issues	1

Environmental (E) Relevance Scores

General Issues	E Score	Sector-Specific Issues	Reference	E Relevance
GHG Emissions & Air Quality	1	n.a.	n.a.	5
Energy Management	3	Energy and fuel use in networks and data centers	Profitability	4
Water & Wastewater Management	1	n.a.	n.a.	3
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.	2
Exposure to Environmental Impacts	3	Networks exposed to extreme weather events (e.g. hurricanes)	Profitability	1

Social (S) Relevance Scores

General Issues	S Score	Sector-Specific Issues	Reference	S Relevance
Human Rights, Community Relations, Access & Affordability	1	n.a.	n.a.	5
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Data security; service disruptions	Competitive Position; Profitability	4
Labor Relations & Practices	3	Impact of labor negotiations and employee (dis)satisfaction	Competitive Position; Profitability	3
Employee Wellbeing	1	n.a.	n.a.	2
Exposure to Social Impacts	2	Social attitudes toward network infrastructure	Diversification; Technology and Infrastructure; Profitability	1

Governance (G) Relevance Scores

General Issues	G Score	Sector-Specific Issues	Reference	G Relevance
Management Strategy	3	Strategy development and implementation	Management and Corporate Governance	5
Governance Structure	3	Board independence and effectiveness; ownership concentration	Management and Corporate Governance	4
Group Structure	3	Complexity, transparency and related-party transactions	Management and Corporate Governance	3
Financial Transparency	3	Quality and timing of financial disclosure	Management and Corporate Governance	2
				1

How to Read This Page

ESG relevance scores range from 1 to 5 based on a 15-level color gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant.

The Environmental (E), Social (S) and Governance (G) tables break out the ESG general issues and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signaling the credit-relevance of the sector-specific issues to the issuer's overall credit rating. The Criteria Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The vertical color bars are visualizations of the frequency of occurrence of the highest constituent relevance scores. They do not represent an aggregate of the relevance scores or aggregate ESG credit relevance.

The Credit-Relevant ESG Derivation table's far right column is a visualization of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The three columns to the left of ESG Relevance to Credit Rating summarize rating relevance and impact to credit from ESG issues. The box on the far left identifies any ESG Relevance Sub-factor issues that are drivers or potential drivers of the issuer's credit rating (corresponding with scores of 3, 4 or 5) and provides a brief explanation for the relevance score. All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact.

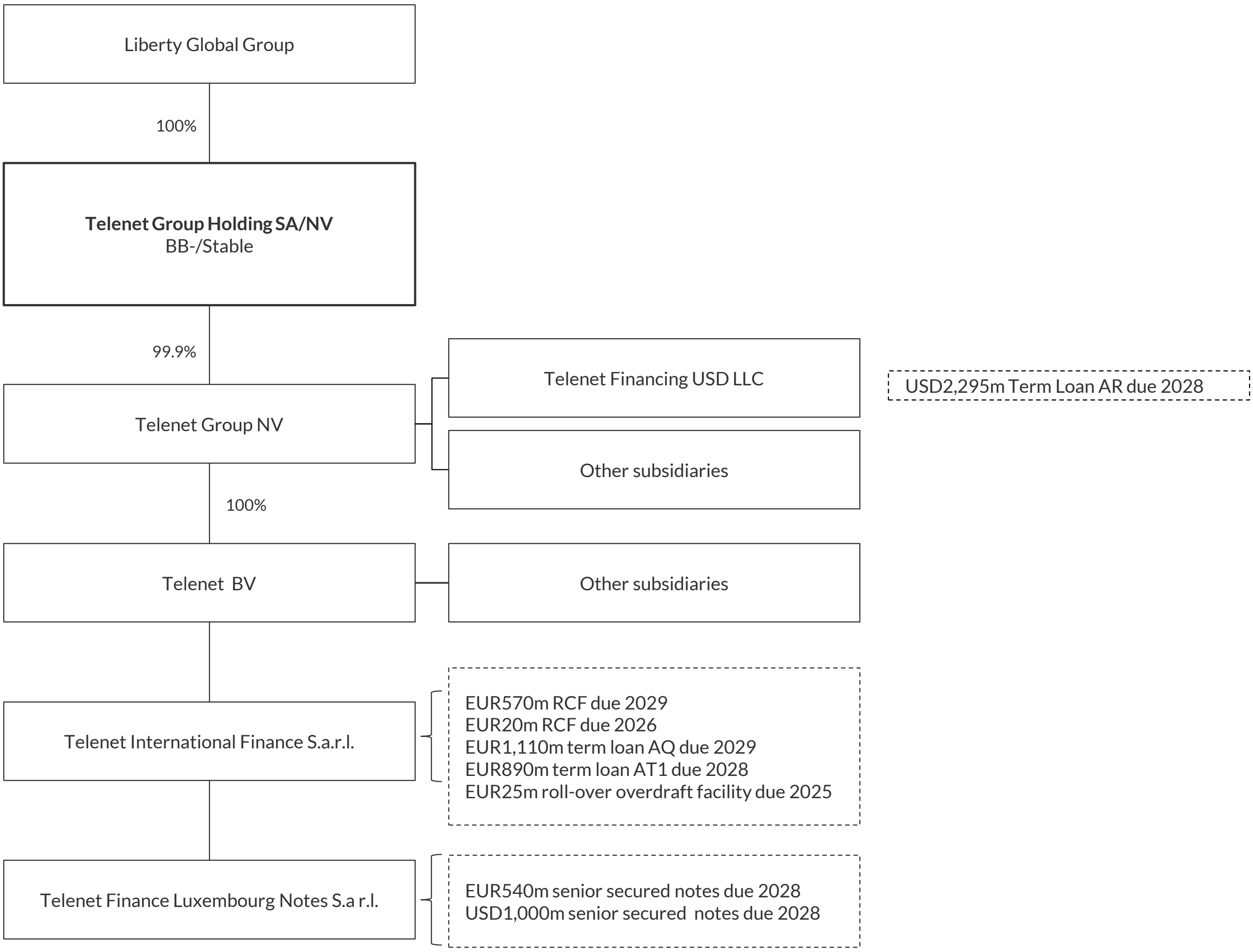
Classification of ESG issues has been developed from Fitch's sector ratings criteria. The General Issues and Sector-Specific Issues draw on the classification standards published by the United Nations Principles for Responsible Investing (PRI), the Sustainability Accounting Standards Board (SASB), and the World Bank.

CREDIT-RELEVANT ESG SCALE

How relevant are E, S and G issues to the overall credit rating?

5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to "higher" relative importance within Navigator.
4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to "moderate" relative importance within Navigator.
3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to "lower" relative importance within Navigator.
2	Irrelevant to the entity rating but relevant to the sector.
1	Irrelevant to the entity rating and irrelevant to the sector.

Simplified Group Structure Diagram



Source: Fitch Ratings, Fitch Solutions, Telenet, as of 30 September 2024

Peer Financial Summary

Company	Issuer Default Rating	Financial statement date	Gross revenue (EURm)	EBITDA margin (%)	FCF margin (%)	EBITDA leverage (x)	EBITDA interest coverage (x)
Telenet Group Holding N.V	BB-						
	BB-	2023	2,855	42.0	4.0	4.9	3.5
	BB-	2022	2,665	43.8	9.9	4.4	6.3
	BB-	2021	2,596	45.3	3.9	4.4	8.1
VodafoneZiggo Group B.V.	B+						
	B+	2023	4,115	45.2	3.6	5.8	3.2
	B+	2022	4,066	48.0	12.7	5.5	4.2
	B+	2021	4,077	47.9	12.8	5.7	4.7
The Sunrise Holding Group	BB-						
	BB-	2023	3,172	34.2	10.0	6.1	2.9
	BB-	2022	3,069	36.6	12.8	5.5	4.2
	BB-	2021	2,852	36.4	13.9	6.6	4.8
Iliad Holding S.A.S.	BB						
	BB	2023	9,241	34.6	-2.3	4.6	5.2
	BB	2022	8,369	36.9	-21.3	4.9	6.0
	BB	2021	7,587	36.4	-13.2	5.0	13.7
Royal KPN N.V.	BBB						
	BBB	2023	5,439	43.8	3.5	2.7	10.4
	BBB	2022	5,374	44.3	4.9	2.5	10.9
	BBB	2021	6,122	37.7	3.6	2.8	11.1

Source: Fitch Ratings, Fitch Solutions

Fitch Adjusted Financials

(EURm as of 31 December 2023)	Standardised values	Lease treatment	Other adjustments	Adjusted values
Income statement summary				
Revenue	2,855	—	—	2,855
EBITDA	1,324	-94	-32	1,198
Depreciation and amortisation	-872	63	82	-727
EBIT	452	-31	-0	421
Balance sheet summary				
Debt	5,868	—	-57	5,812
Of which other off-balance sheet debt	—	—	—	—
Lease-equivalent debt	—	—	—	—
Lease-adjusted debt	5,868	—	-57	5,812
Readily available cash and equivalents	823	—	—	823
Not readily available cash and equivalents	—	—	—	—
Cash flow summary				
EBITDA	1,324	-94	-32	1,198
Dividends received from associates less dividends paid to minorities	—	—	—	—
Interest paid	-380	33	0	-346
Interest received	32	—	—	32
Preferred dividends paid	—	—	—	—
Cash tax paid	-86	—	—	-86
Other items before FFO	44	-2	-49	-8
FFO	934	-63	-82	789
Change in working capital	95	—	—	95
CFO	1,029	-63	-82	884
Non-operating/non-recurring cash flow	—	—	—	—
Capex	-642	—	-18	-660
Common dividends paid	-109	—	—	-109
FCF	278	-63	-100	115
Gross leverage (x)				
EBITDA leverage	4.4	—	—	4.9
(CFO-capex)/debt (%)	6.6	—	—	3.9
Net leverage (x)				
EBITDA net leverage	3.8	—	—	4.2
(CFO-capex)/net debt (%)	7.7	—	—	4.5
Coverage (x)				
EBITDA interest coverage	3.5	—	—	3.5

Note: The standardised items presented above are based on Fitch's taxonomy for the given sector and region.
Reported items may not match the Fitch taxonomy, but they are captured into corresponding lines accordingly.
Debt includes other off-balance sheet debt.
Debt in the standardised values column excludes lease liabilities of EUR631.4m.
Source: Fitch Ratings, Fitch Solutions, Telenet

Recovery Analysis

We apply a generic approach to assign instrument ratings for issuers with IDR in the ‘BB’ rating category. Telenet has only senior secured debt in its capital structure. Therefore, the senior secured debt is labelled as "Category 2 first lien", and we apply ‘RR2’, reflecting a maximum of two notches uplift from the IDR of ‘BB-’ for the instrument rating, thus resulting in ‘BB+’ instrument ratings.

SOLICITATION & PARTICIPATION STATUS

For information on the solicitation status of the ratings included within this report, please refer to the solicitation status shown in the relevant entity's summary page of the Fitch Ratings website.

For information on the participation status in the rating process of an issuer listed in this report, please refer to the most recent rating action commentary for the relevant issuer, available on the Fitch Ratings website.

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