

MOODY'S

RATINGS

Announcement of Periodic Review: Moody's Ratings announces completion of a periodic review of ratings of PPF Telecom Group B.V.

19 Jul 2024

Madrid, July 19, 2024 -- Moody's Ratings (Moody's) has completed a periodic review of the ratings of PPF Telecom Group B.V. and other ratings that are associated with this issuer.

The review was conducted through a rating committee held on 16 July 2024 in which we reassessed the appropriateness of the ratings in the context of the relevant principal methodology(ies), and recent developments.

This publication does not announce a credit rating action and is not an indication of whether or not a credit rating action is likely in the near future. Please see the Issuer page on <https://ratings.moodys.com> for the most updated credit rating action information and rating history.

Key Rating considerations and rationale are summarized below.

PPF Telecom Group B.V.'s (PPF Telecom) Ba1 rating with a negative outlook remains unchanged. The rating reflects the company's leading position in the Czech Republic's telecom market; the group's good geographical diversification in the Central and Eastern European (CEE) region; its financial policy and commitment to maintain leverage within management's public guidance; and its good margins and solid operating cash flow generation.

However the ratings also reflect the group's aggressive liquidity policy; the uncertainties around the acquisition of an equity stake in the group by Emirates Telecommunications Grp Co PJSC (e&, Aa3 stable); the group's moderate scale; the mobile-centric position of its assets in Slovakia, Hungary, Serbia and Bulgaria; and the relatively low free cash flow (FCF) generation as a result of high capital spending and dividend payments.

The negative rating outlook reflects the refinancing risks that arise if the proposed transaction does not complete as planned, and the possibility that the transaction will

dilute the asset value of PPF Telecom, depending on how the cash proceeds from the sale are used, the distribution of debt within the group, and any changes to the group's consolidated perimeter.

This document summarizes our view as of the publication date and will not be updated until the next periodic review announcement, which will incorporate material changes in credit circumstances (if any) during the intervening period.

The principal methodology used for this review was Telecommunications Service Providers published in November 2023. Please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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