

EUROPEAN OUTLOOK CONFERENCE
LONDON

European HY TMT Calling Time on Excessive Leverage?

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Research
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The Times They Are A-Changin'

“I tell my guys... Look at your balance sheets, make sure you’re bullet proof on your balance sheets”

Dr John Malone November 2023

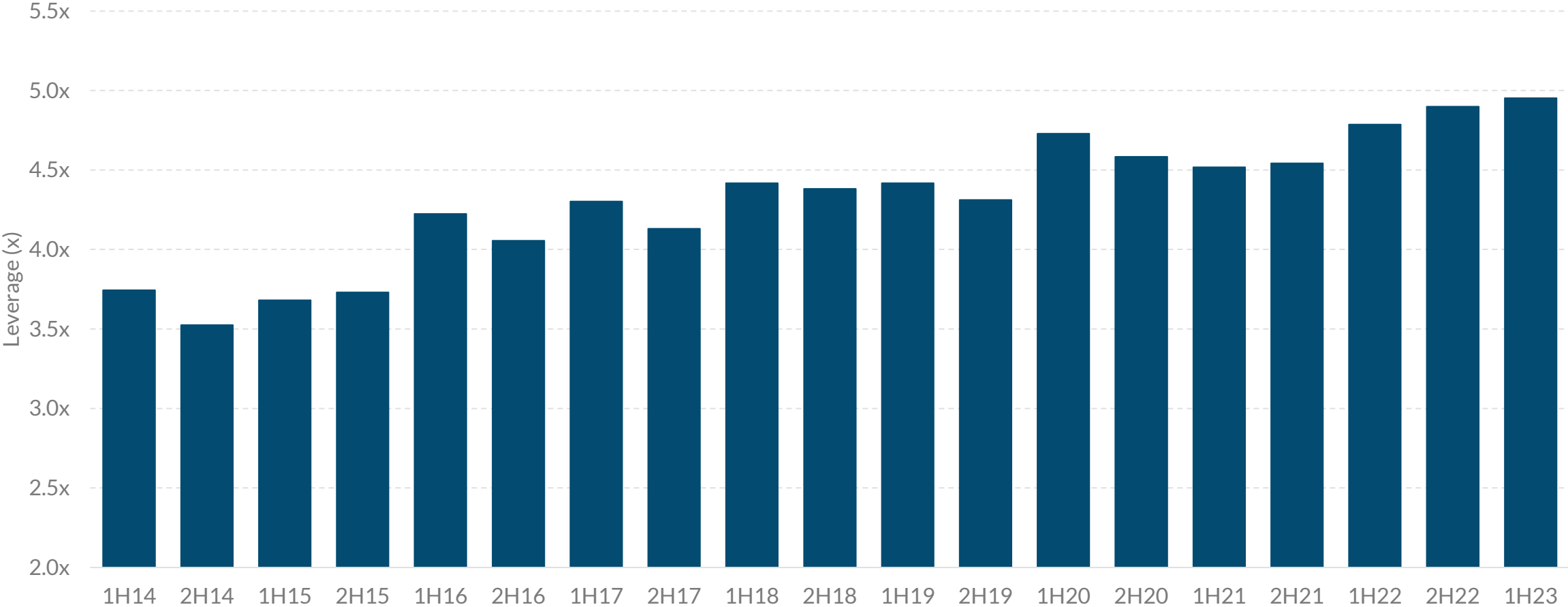


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- *Time to make a change – Leverage & Maturities*
- *Let the good times roll – Growth, Competition*
- *It's gonna take time – FCF, Inorganic Measures, Event Risk?*
- *Picks & Pans*

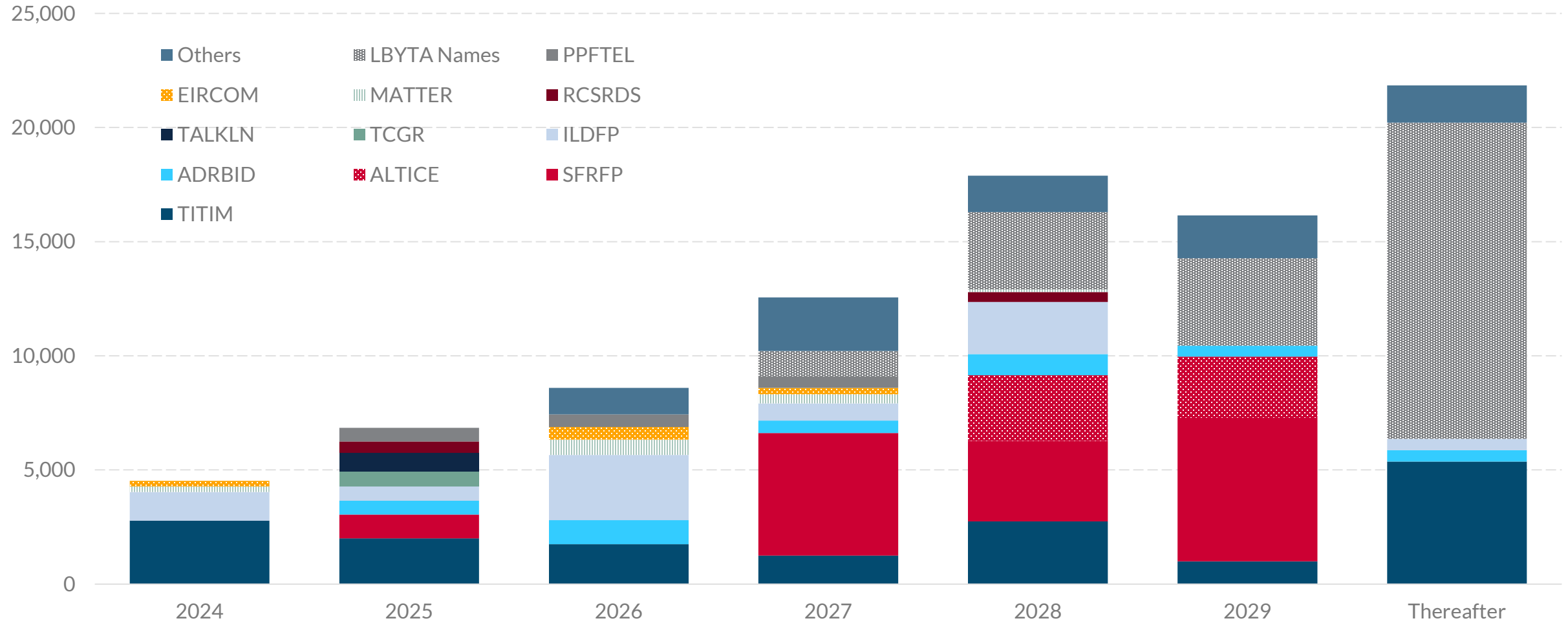
Time After Time

Median Net Leverage – Euro HY TMT Operators



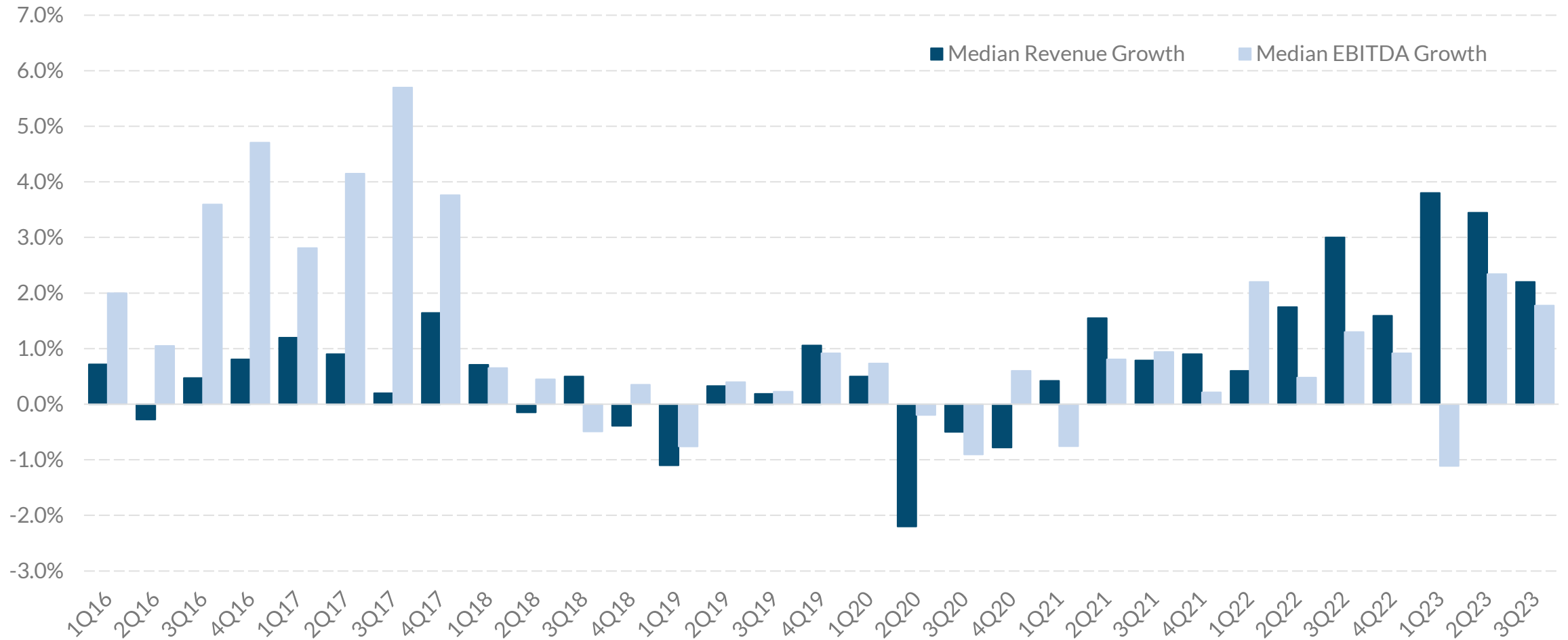
Closing Time

Euro HY TMT Bond Maturity Schedule (€ mn)



Remember The Time

Revenue & EBITDA Growth (% YoY)



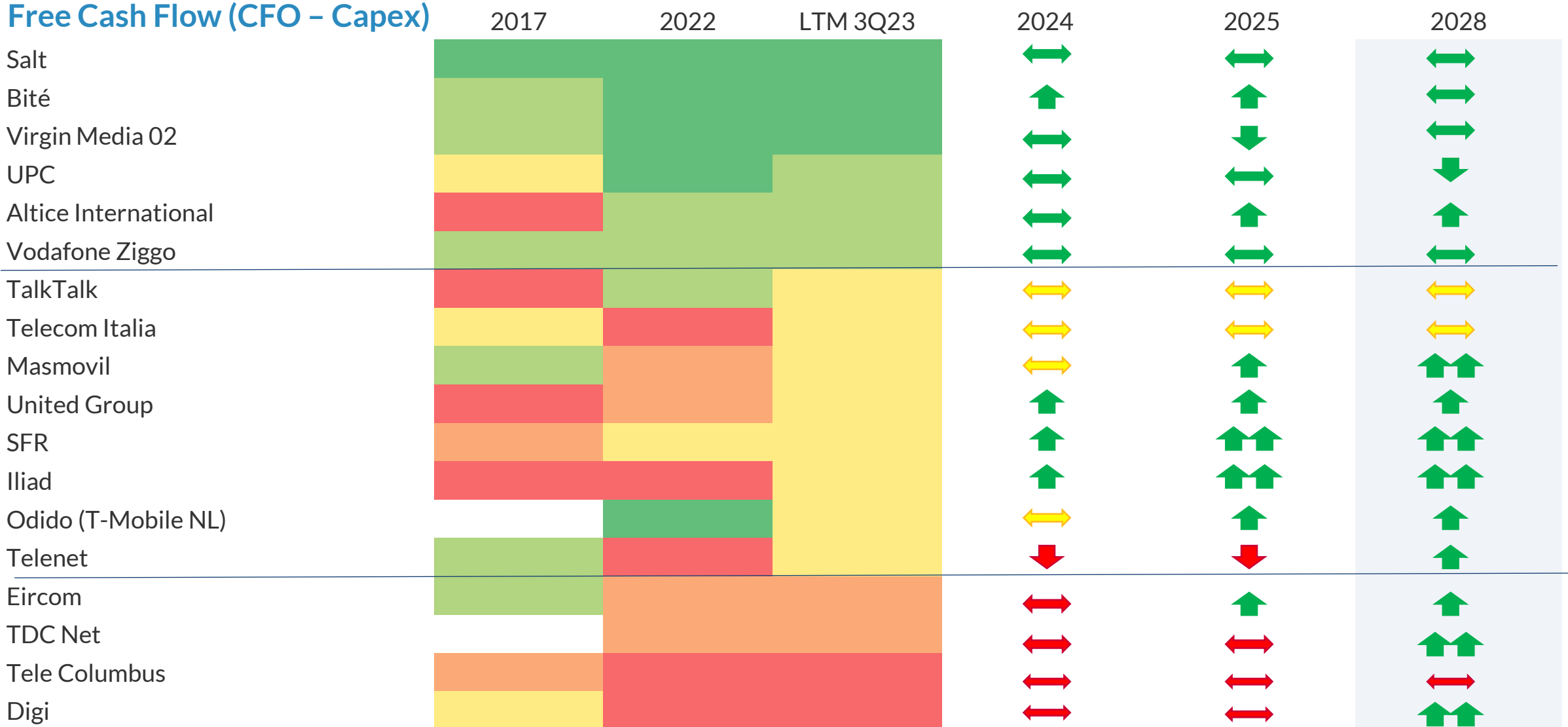
(I've Had) The Time of My Life

Competitive Dynamics

	Mobile Subscriber Growth	Fixed Subscriber Growth	Price Dynamics	Market Equilibrium
Belgium*	Orange	Orange	Teal	Orange
France	Teal	Orange	Teal	Teal
Germany	Teal	Red	Orange	Red
Italy	Red	Red	Red	Red
Netherlands	Teal	Red	Teal	Teal
Poland	Teal	Orange	Teal	Orange
Portugal*	Teal	Teal	Teal	Teal
Spain	Teal	Orange	Orange	Orange
Switzerland	Teal	Orange	Orange	Teal
UK	Teal	Orange	Teal	Teal

Sign O' The Times

Free Cash Flow (CFO - Capex)

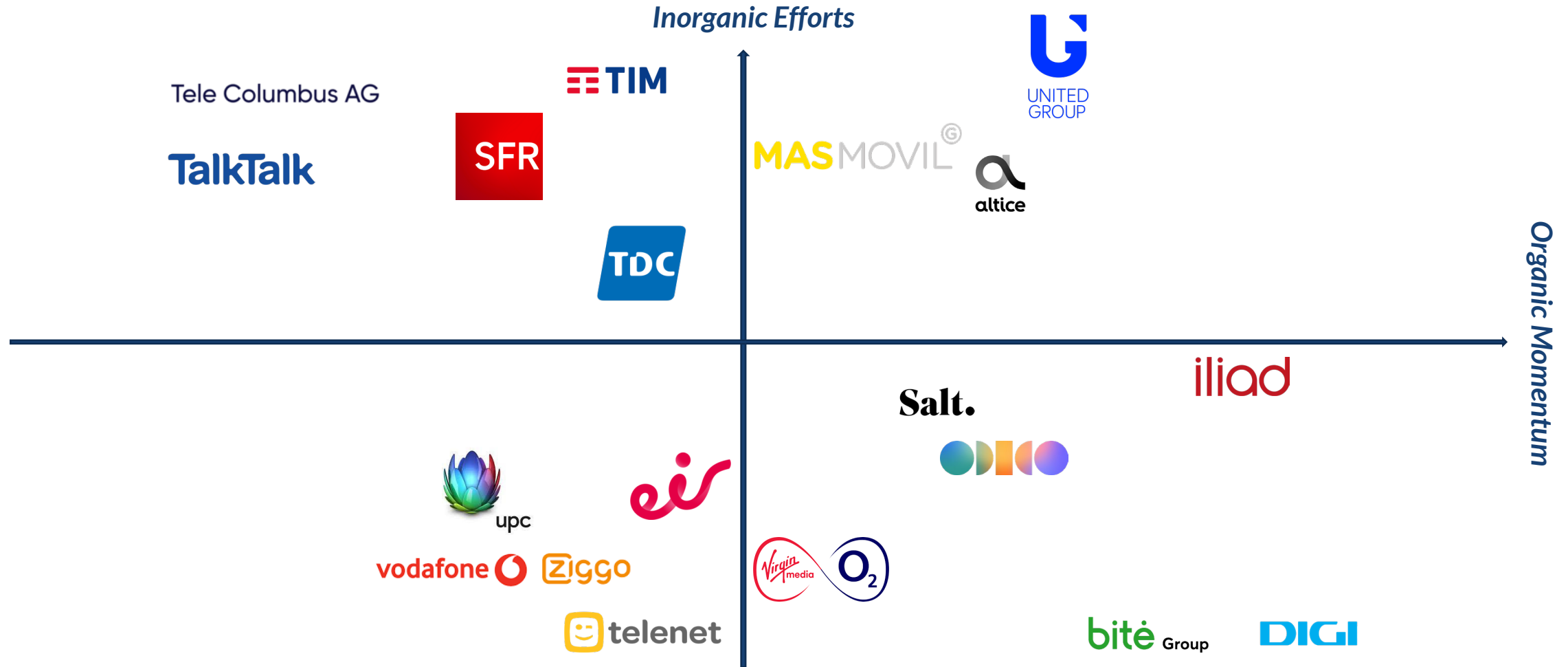


Source: CreditSights

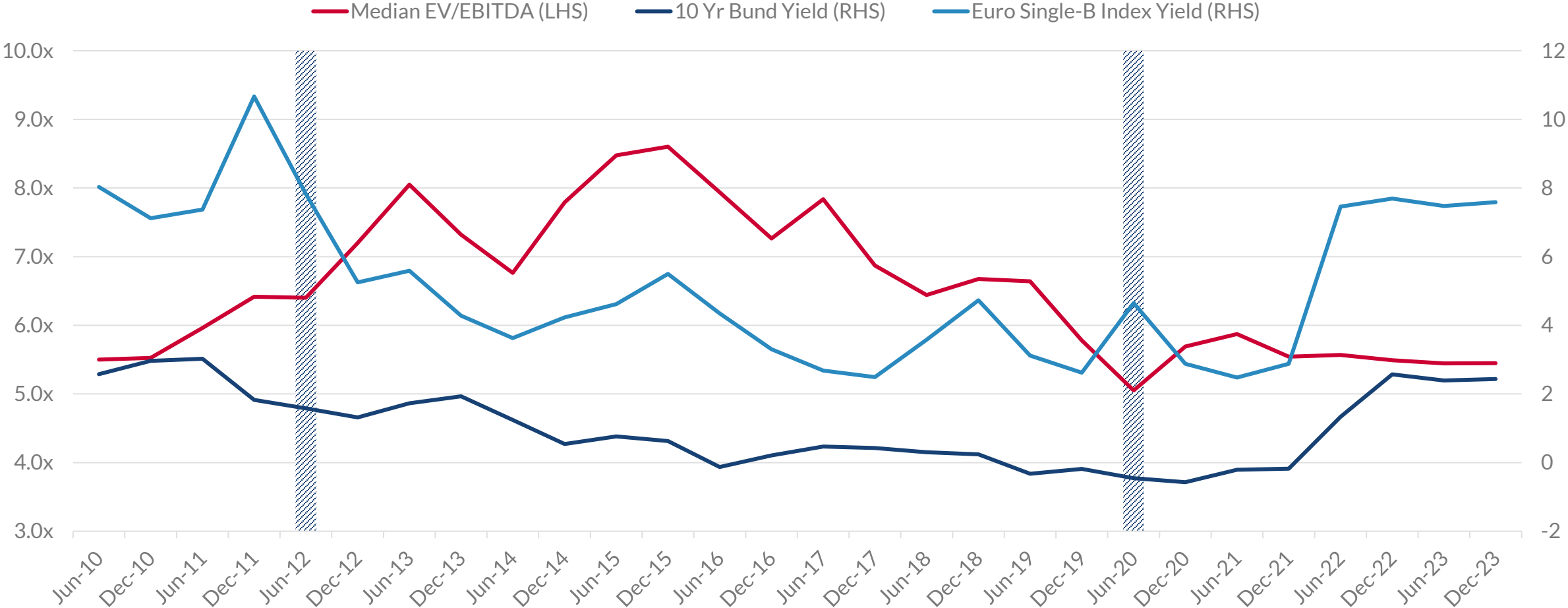
Note: All as of 3Q23 with exception of TDC Net and Telenet which is LTM from 2Q23

Ever Changing Times

Operational Momentum vs. Inorganic Efforts to Deleverage



Euro Telecoms Public EV/EBITDA Multiples (LHS) vs. Yields (% , RHS)



(Not) Always On Time

- HY Telco balance sheets need repair, but for *most* credits, there is time to transition to FCF generation
- Cable has had its time in the sun, but the risks embedded within Euro HY TMT are limited at least near term
- The pivot to defensiveness is unlikely to last /to apply writ-large over the medium term

[Playlist: Times of Telecoms](#)

Picks & Pans

Credit	Issuer Rec	Favoured/Disfavoured Spot	Subordinated	Short Duration
SFRFP	M/P	Unsec'd	O/P	Buy - Senior sec'd 25s
ALTICE	M/P		M/P	Buy - Senior sec'd '25s
TITIM	M/P	USD '33s/'38s		Hold - EUR snr '24/25/26s
VMED	M/P		M/P	
ZIGGO	O/P		O/P	
TNETBB	U/P	Bonds		
UPCB	M/P	Sec'd '29s	M/P	
ILDFP	M/P	OpcO ('28s)	M/P	M/P - '24/25/26s
EIRCOM	M/P			M/P - '24/26s
MATTER	M/P			M/P - '24/26s
ADRBID	M/P	PIKs '25s	O/P	O/P '25 PIKs
RCSRDS	M/P	Sec'd - '25s		U/P - '25s
LORCAT	M/P	Unsec'd	U/P	
TMOBNL	M/P		M/P	
BITELV	M/P			Comfortable with the '26s
TALKLN	Hold	High-convexity Catalyst Play		Hold - '25s
TCGR	Hold			

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