

CASE STUDY – Euskaltel +80% shareholder value increase



Zegona received a 15% stake in Euskaltel from the sale of Telecable in 2017
 Increased to over 21% in early 2019 and a major change programme initiated in June 2019
 In March 2021, Euskaltel received a €3.5bn takeover bid from Masmovil at a 26% premium

Comprehensive Operational Change

- Regional cable/ fiber operator in Spain – Utility-like culture
- Lack of integration of recent acquisitions
- Declining customer numbers, revenues and profitability

Fundamental people change

- New CEO (ex Jazztel, €2.8bn value creation)
- New Chairman and strengthened board
- New CFO and senior managers

Integration cost savings

- One operating platform for 3 regional brands
- Process digitalization, on-line sales strategy
- Delivered targeted annual cost savings of €40m vs €190m OpCF

National Expansion

- Increased addressable premises from 2.5m to >20m
- Partnership with Virgin brand
- Success based investment approach

Strong Delivery of Results

- Record customer net adds
- Accelerating topline growth
- €40m of savings (>20% of OpCF)
- 80% total shareholder return, 64% share price increase

