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**ZEGONA COMMUNICATIONS PLC ("Zegona")**

**LEI: 213800ASI1VZL2ED4S65**

**1 MARCH 2021**

### **Euskaltel Reports Accelerating Growth**

Euskaltel last week published its results for the fourth quarter and full year 2020 and associated investor presentation. Highlights communicated by Euskaltel included the following:

#### **Record Customer Growth**

- Euskaltel's mass market fixed customers increased by 47k in 2020 to 716k, the highest annual customer growth since the business was listed in 2015
- Virgin telco growth was more than 50% ahead of plan, reaching a total customer base (fixed and mobile) of 71k at year-end 2020
- Net gain in B2B customers in 2020, despite the impact from Covid-19

#### **Accelerating Revenue Growth**

- Virgin telco customer gains are driving accelerating revenue growth, with fourth quarter revenue up 4.6% to €179.5m and full year 2020 revenue up 1.7% to €697.1m
- B2B is also contributing with 3.3% revenue growth in 2020 to €114.5m
- Addressable footprint further expanded in the fourth quarter to over 23m households, a four-fold increase since the start of 2020
- Guidance provided for 2021 with mass market fixed customers expected to grow up to 20% to 840-860k, delivering total revenue growth up to 8% to €740-750m, making Euskaltel one of the fastest growing telecoms companies in Europe

#### **Strong Profitability**

- 2020 EBITDA target met, with EBITDA growth in 2020 of 2.3% (before Virgin telco launch/early growth costs)
- Euskaltel continues on a clear deleveraging path with net debt down 2.1% in 2020
- 2020 financial and customer growth targets fulfilled

#### **Network Upgrade and Monetisation**

- Euskaltel announced that it is well advanced in setting up FibreCo and bringing in an investor for a minority stake – a formal announcement is expected in the coming weeks
- As part of FibreCo, Euskaltel will upgrade its network to the latest FTTH standard, enabling new wholesale revenue streams, cost savings of €20m per year and access to additional growth opportunities including 5G
- Euskaltel expects to gain a material net cash receipt from the FibreCo process which can be used to help fund further growth

Eamonn O'Hare, Zegona's Chairman and CEO commented: "Euskaltel has delivered strong results for 2020 with accelerating growth driven in particular by the outstanding success of Virgin telco. These results demonstrate the team's achievement in overcoming the challenges created by Covid-19 and in setting the business up for continued and accelerating growth in 2021. The FibreCo initiative offers the opportunity to provide customers with the very latest technology under a structure which delivers great value to shareholders as well".

Further details on Euskaltel's fourth quarter and full year 2020 results can be found on the Euskaltel website at <https://www.euskaltel.com/CanalOnline/investors>

## **Enquiries**

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## **About Zegona**

Zegona was established in 2015 with the objective of investing in businesses in the European Telecommunications, Media and Technology sector and improving their performance to deliver attractive shareholder returns. Zegona is led by former Virgin Media executives Eamonn O'Hare and Robert Samuelson.

## **About Euskaltel**

Euskaltel S.A. ("Euskaltel") is the leading converged telecommunications provider in the North of Spain and has recently expanded to offer services nationally. It provides high speed broadband, data rich mobile, advanced TV and fixed communications services to residential and business customers under the Euskaltel, R Cable, Telecable and Virgin telco brands. Euskaltel is a public company traded on the stock markets of Bilbao, Madrid, Barcelona and Valencia.

## **IMPORTANT NOTICES**

Zegona is listed on the standard listing segment of the Official List of the Financial Conduct Authority and the Main Market for listed securities of the London Stock Exchange. This announcement has been prepared in accordance with English law, the Listing Rules and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England. The distribution of this announcement in jurisdictions outside the United Kingdom may be restricted by law and therefore persons into whose possession this announcement comes should inform themselves about and observe such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction. Neither the content of <https://www.euskaltel.com/CanalOnline/investors>, nor the content on any website accessible from hyperlinks on Euskaltel's website or any other website, is incorporated into, or forms part of, this announcement nor, unless previously published by means of a recognised information service, should any such content be relied upon in reaching a decision as to whether or not to acquire, continue to hold, or dispose of, securities in Zegona.