



Planned acquisition of SFR: Free reaches a new milestone

A strategic transaction for the Iliad Group's development in France.

- **Over 8 million additional subscribers and 50 MHz more spectrum.**
- **Increasing Free's total subscribers in France to nearly 31 million.**
- **Making Free an even stronger challenger, benefiting consumers.**
- **Greater capacity to invest in France's digital future.**
- **Fully secured financing.**
- **Making the Iliad Group the E.U's third-largest telco¹.**

The Iliad Group has signed a memorandum of understanding with Altice France, alongside Bouygues Telecom and Orange, with a view to acquiring SFR.

If the acquisition goes ahead, it will be a major new step for Free's growth in France. It would enable the Iliad Group to sustainably strengthen its investment capacity, accelerate its innovation, and prepare for the extensive digital transformations that lie ahead, while maintaining strong market competition for the benefit of consumers. The planned transaction is subject to consultation with the relevant employee representative bodies and to regulatory clearance.

Free reaches a new milestone

Free has been the challenger in the French telecoms market for more than twenty-five years now. By opening up wide access to the Internet, fiber, and mobile telephone services, Free has fundamentally reshaped the sector, while at the same time investing heavily in digital infrastructure.

The planned acquisition would result in Free gaining over 8 million additional subscribers, including the entire customer base of RED (6 million subscribers) and a portion of SFR's retail customer base (1.6 million SFR B2C subscribers as well as the 0.4 million VSE business customers² served by the SFR brand). This means that the Iliad Group would have nearly 31 million subscribers in France, bringing it closer to reaching its goal of becoming the market's largest alternative operator.

The transaction would also enable the Group to acquire an additional 50 MHz of spectrum across several frequency bands. These strategic resources would sustainably enhance service quality, support the fast-growing use of digital technology, and help the Group win new market share.

¹ In terms of number of mobile and broadband subscribers.

² B2C customers that have a SIREN registration number ("small business customers")

Free will still be Free

The acquisition would give Free more resources to pursue what has made it unique since its beginnings: offering the best technologies to the largest number of people thanks to innovation, simplicity, and fair prices.

Stronger than ever, Free intends to remain a maverick, acting as a driving force for competition in the French market. If the transaction goes ahead, consumers would therefore continue to benefit from dynamic market competition, which fosters innovation and boosts service quality and purchasing power.

Stronger capacity to invest and innovate in France and across Europe

The Iliad Group invests massively in French and European digital infrastructure: mobile networks, fiber, data centers, cloud services and AI infrastructure. As part of this strategy, it has engaged in a €4 billion investment plan for new-generation data centers and sovereign cloud services. It is also a member of the AION consortium which is making a bid for France to host a European AI Gigafactory as part of an ambitious E.U. project.

The synergies that would be generated from the acquisition would enable the Group to accelerate its strategic investments in order to develop increasingly high-performing, resilient and sovereign infrastructure, serving individuals, businesses and local communities.

The transaction would also reinforce the Iliad Group's European footprint and make it the third-largest telco in the E.U.

A win-win for everyone

If the transaction goes ahead, we would have a duty to make it a success for subscribers, employees, local communities, businesses, and everyone in France.

For subscribers, Free would ensure a straightforward and transparent migration, with no service interruptions. This objective is underpinned by a proven quality of service: based on Arcep data¹, Free is currently France's number one alternative operator for customer satisfaction for broadband services and joint number one for mobile services. In addition, 92% of our Broadband subscribers and 94% of our Mobile subscribers say that they're satisfied with the services provided to them².

The Iliad Group, as well as Bouygues Telecom and Orange, are fully aware of their employment-related responsibilities with respect to the employees of the acquired activities. If the transaction goes ahead, the Consortium will ensure those employees a job until the beginning of 2029, either through continuing in their existing position or via a new job offer. In addition, all three operators are committed to starting constructive dialogue with SFR's relevant duly representative trade unions.

A consultation period with the relevant employee representative bodies will be launched as soon as possible in order to ensure a responsible and constructive dialog process and ensure the successful outcome for all parties.

A value-creating and financially disciplined transaction

Altice France's assets acquired by the Consortium in the transaction would have an estimated enterprise value of €20.35 billion, of which €6.2 billion corresponds to the portion to be acquired by the Iliad Group, subject to customary closing adjustments.

¹ 2026 customer satisfaction survey for Broadband and Mobile operators in France, published by Arcep on February 16, 2026 (see arcep.fr).

² Source: IFOP customer satisfaction survey carried out in H1 2026.

The transaction would enable the Iliad Group to generate approximately €2.0 billion in additional revenues and around €0.9 billion in additional operating free cash flow, including more than €0.5 billion in synergies.

The Iliad Group has already secured €6.5 billion in financing to fund the acquisition. The transaction would not affect the Group's financial discipline. The Group would maintain its financial flexibility and keep its debt in line with its financial strategy, while sustainably reinforcing its capacity to invest, innovate, and create long-term value.

“This transaction is good news not only for Free, but for the French telecoms market as a whole. It is a sector that constantly needs to invest more in networks, cybersecurity, cloud services and AI, and as such it needs solid market players. At the same time, digital sovereignty can't be decreed – it has to be financed. Against this backdrop, Free will still be Free, and it will continue to shake up the French market with the same laser focus on innovation, simplicity and fair prices for our subscribers. This transaction would give us more resources to invest and would bring us closer to our objective of becoming France's number one alternative retail telco. It would also make us the third-largest telco in the European Union.”

Thomas Reynaud – CEO of the Iliad Group

Until clearance has been received from the regulatory authorities, and the conditions precedent to the transaction have been met, all of the parties involved will continue to operate independently.

About the Iliad Group

 www.iliad.fr/en

Contacts

Investor relations: ir@iliad.fr
Press relations: presse@iliad.fr

Created in the early 1990s, the Iliad Group is the inventor of the world's first triple-play box and is a major European telecoms player, standing out for its innovative, straightforward and attractive offerings. The Group is the parent of Free in France, Iliad in Italy and Play in Poland, has over 17,700 employees serving 52 million subscribers, and generated €10.3 billion in revenues in 2025. In France, the Group is an integrated Fixed and Mobile Ultra-Fast Broadband operator and had 23.3 million subscribers at end-March 2026. In Italy, where the Group launched its business in 2018 under the Iliad brand, it is the country's fourth-largest mobile operator and had over 13.2 million subscribers at end-March 2026. In Poland, the Group is an integrated convergent operator, and at end-March 2026 had 15.7 million subscribers. The Iliad Group is Europe's fifth-largest operator by number of retail Mobile subscribers (excluding M2M) and the fifth-largest Fixed Broadband operator.