



# SFR TRANSACTION

**GREAT** FOR **SUBSCRIBERS**, FOR THE **TELECOM INDUSTRY**,  
FOR **FRANCE** AND FOR **ILIAD**.

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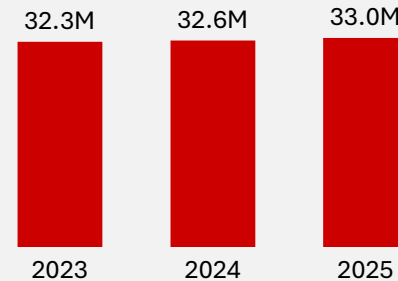
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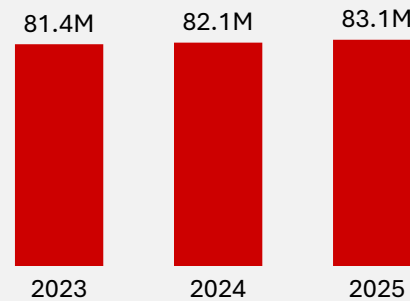
# A necessary transaction in a challenging context

A saturated market, fully penetrated

Fixed broadband market<sup>1</sup>



Mobile market<sup>2</sup>



A market in decline...

**-1.8%**

Service revenue growth rate in 2025

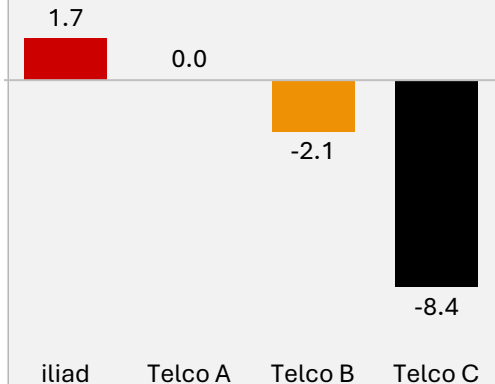
...with lower investments

**-15%**

Gross investments 2025 vs. 2024 excluding spectrum

iliad the only telecom operator to grow

Organic revenue growth in FY25<sup>3</sup> as %



1) ARCEP, Q4 2025 - Observatory of the electronic communications markets in France - number of subscribers in million  
 2) Active SIM Cards - ARCEP, Q4 2025 - Observatory of the electronic communications markets in France  
 3) Public reports

# Positive for the French Telecom Market

Socially responsible transaction sustaining and strengthening the digital economy and the telecommunications sector in France.

## Ensuring service continuity over a strategic infrastructure

**Critical network infrastructure of SFR** secured by Consortium

Deep operational expertise of the Consortium enabling **continuity for SFR customers**

## Improved ability to invest and to innovate

**Strengthened capabilities** for French operators to enable new cycle of investments and to support **France and Europe** for the major technological challenges of the coming decades :

- **Resilience** of mobile and broadband networks
- **Cybersecurity**
- **New technologies** such as Artificial Intelligence

## Competition benefiting customers

**Rebalanced market structure** providing scale and **level-playing field** for **sustained competition**, both in B2C and B2B

**Improvement of quality and services** emanating from renewed investment capability

**Enhanced capacity** for Iliad to **innovate, to disrupt** the market, and to deliver **the most competitive prices and the best value for money to customers**

## Social

The Consortium will **ensure employment for all the staff** of the acquired scope **until the beginning of 2029**, either by **allowing them to continue in their present position** or **providing them with a job opportunity**

# A stronger iliad

iliad would become **#3** telecom operator in European Union<sup>1</sup>

## Reinforcing Free's model and its maverick DNA with good strategic fit of assets acquired

Larger scale with the addition of over **8 million** subscribers (75% mobile / 25% broadband) of which **100% of RED subscribers base** (6 million subscribers).

Better network quality with the acquisition of **50MHz additional spectrum** across all band ranges, closing the gap with the competition.

## Strengthening iliad's financial profile

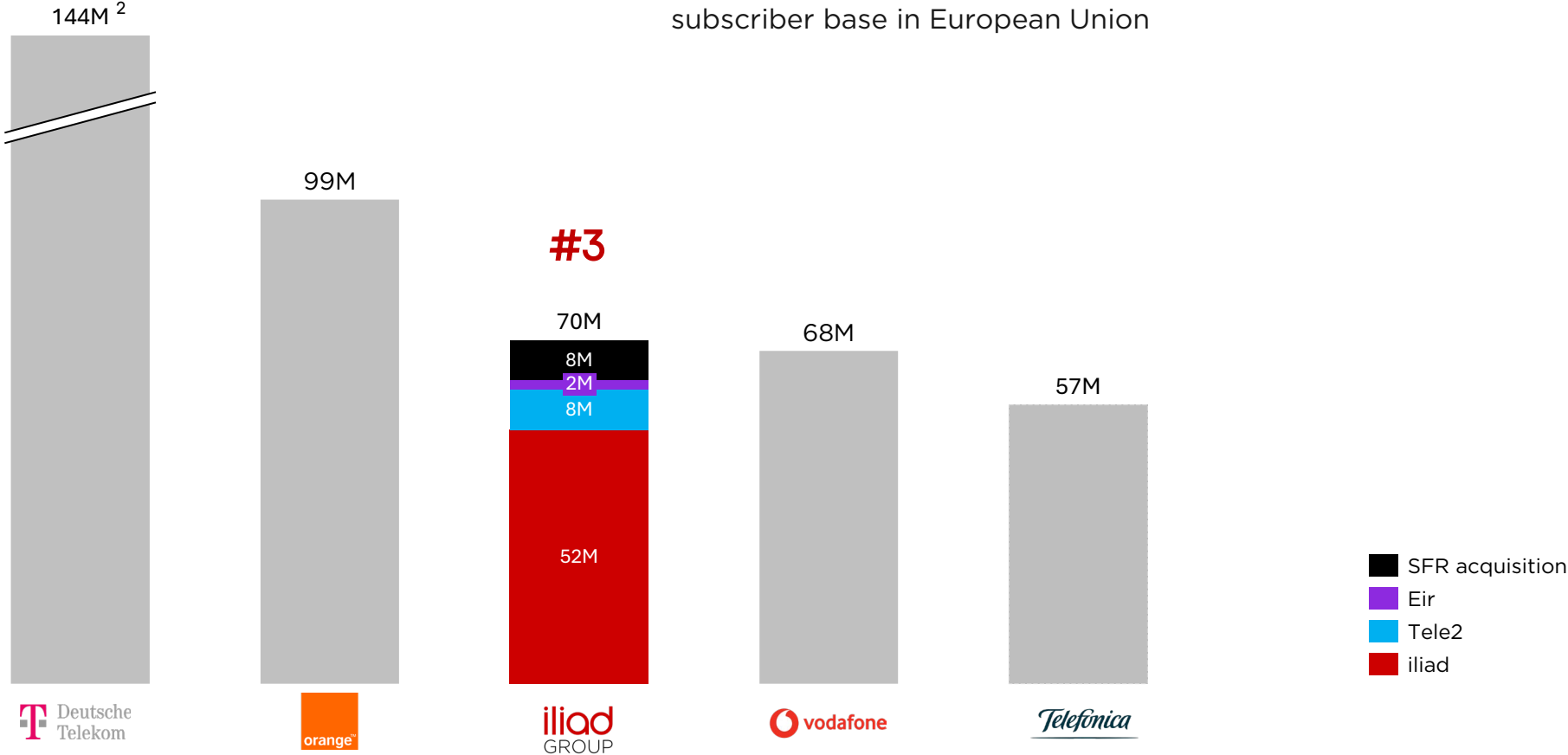
Adding **€2.0 billion** revenues  
**€0.9bn** run-rate additional OFCF (incl. over €0.5 billion synergies).

iliad **Group** leverage (pro forma on a FY basis, pre synergies) of **3.0x** at closing, in line with leverage guidance, and **2.8x** post synergies.

iliad  **Holding** leverage (pro forma on a FY basis, pre synergies) of **3.7x** at closing, in line with leverage guidance, and **3.5x** post synergies.

# iliad Group<sup>1</sup> would reach Top 3 in EU

Top 5 Mobile & Fixed Broadband subscriber base in European Union



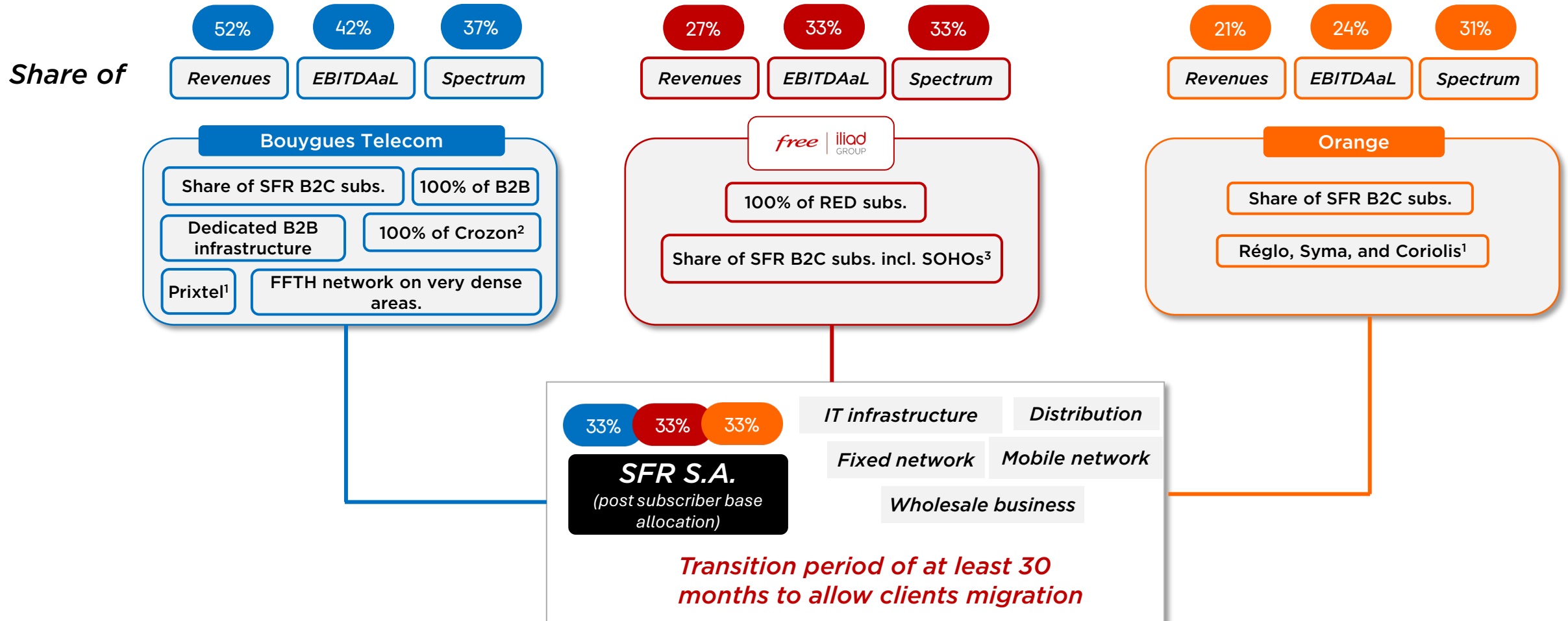
(1) In terms of subscribers (mobile excluding M2M + broadband) at end-2025 - Orange figure including 100% of MasOrange - excludes the UK market - iliad + Eir (32% ownership) and Tele2 (20% ownership)  
 (2) Including M2M

# Key terms of the Transaction

	CONSORTIUM	ILIAD
Enterprise Value	€20.35 billion	€6.2 billion
Earn-out	Up to €0.65 billion	Up to €0.2 billion
Break-up Fee	From €0.1 billion up to €2 billion	Up to €0.65 billion
Safeguard clause	<i>Potential downward price adjustment and exit provisions at the Consortium's or Seller's initiative, depending on SFR's financial performance up to the closing of the transaction</i>	
Financing		€6.5 billion financing secured
Main conditions for Closing	Signing of SPA (subject to prior consultation of works councils) All regulatory approvals	
Subscriber migration	SFR S.A. to provide all necessary support via TSAs	

# Allocation of **assets** among the Consortium

Most subscribers and activities would be migrated to each of the respective acquiring member of the Consortium, while the remainder, including notably the Wholesale activity and infrastructure assets, would remain in SFR S.A an entity co-owned by the Consortium.

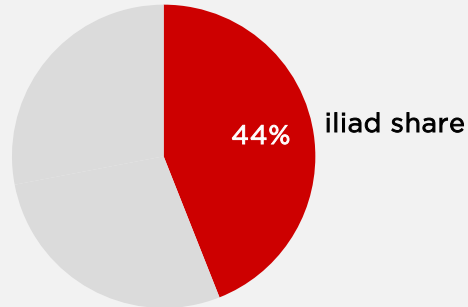


(1) C brands (2) Crozon refers to the active RAN sharing agreement between SFR and Bouygues Telecom, established in 2015. Under the arrangement, the two operators share their respective mobile access networks (excluding Zone Très Dense and Zones Blanches) across metropolitan France (3) SOHOs using a B2C contract

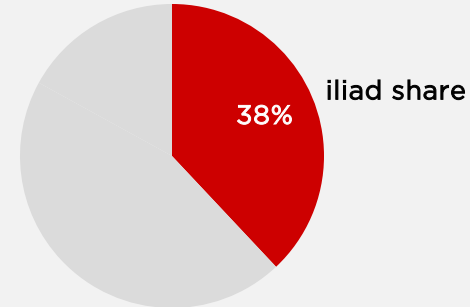
# iliad's scope

## OPERATING

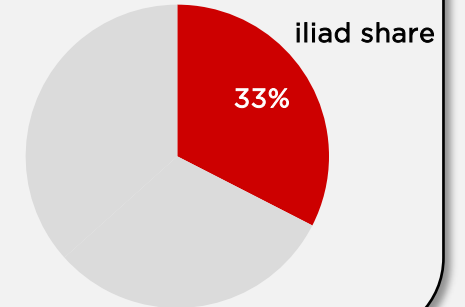
### B2C mobile subscribers



### B2C Broadband subscribers

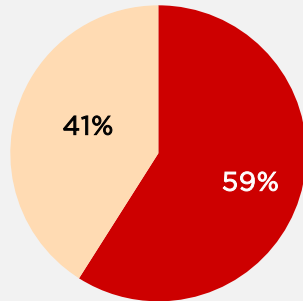


### Spectrum



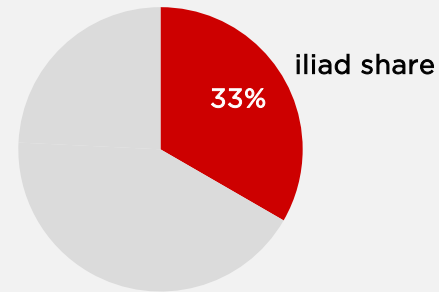
## FINANCIALS

### Mix of revenues acquired

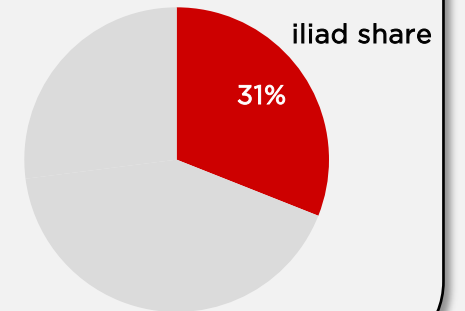


■ Mobile ■ Fixed

### EBITDAaL



### Price consideration



# Strategic fit of assets acquired by iliad

Free's maverick position to be reinforced with increased scale, boosting its capacity to invest and innovate

## Adding over 8 millions subscribers in total

Entire **R-D** subscriber base: **4.9 million** mobile<sup>(1)</sup> and **1.2 million** fixed subscribers

c. **19%** of **SFR** B2C subscriber base<sup>(1)</sup>: balanced mix with **1.2 million** mobile and **0.8 million** fixed subscribers (incl. all SOHOs clients on B2C contracts)

Additional spectrum: total of **50MHz**, spread across low, mid and high bands

## Adding €0.9 billion of OFCF

2025 Actuals<sup>1</sup>

Revenues  
**€2 billion**

OCF  
**€0.4 billion**

Run-rate targets  
(Year 5)

Opex / Capex synergies  
**€>0.5 billion**

OCF  
**€0.9 billion**

Implementation costs  
**~€1.4 billion**

# A Step Change **for the Group** in France

Free getting closer to become #1 alternative B2C operator in France

**31 M+** Mobile and Fixed  
Subscribers  
in France

**€9Bn** Revenues<sup>1</sup>  
in France

**€2.5Bn** Run-rate<sup>2</sup>  
OFCF in  
France

## **STRONGER CHALLENGER**

**Acquires RED subs. base, part of SFR  
subs. base & spectrum**

RED subscriber base: growing subscribers  
base, value-for-money, high compatibility  
with Free's DNA

New spectrum reinforces network quality for  
existing & future subscribers

Reinforce Free's maverick position

## **SCALE & SYNERGIES**

**Significant economies  
of scale**

Industrial synergies from network & IT  
Higher subscriber density on Free's networks

Focus on B2C mobile subscribers easing  
integration and migration process

More efficient competition based on  
improved scale and networks quality

## **INVESTMENT ACCELERATOR**

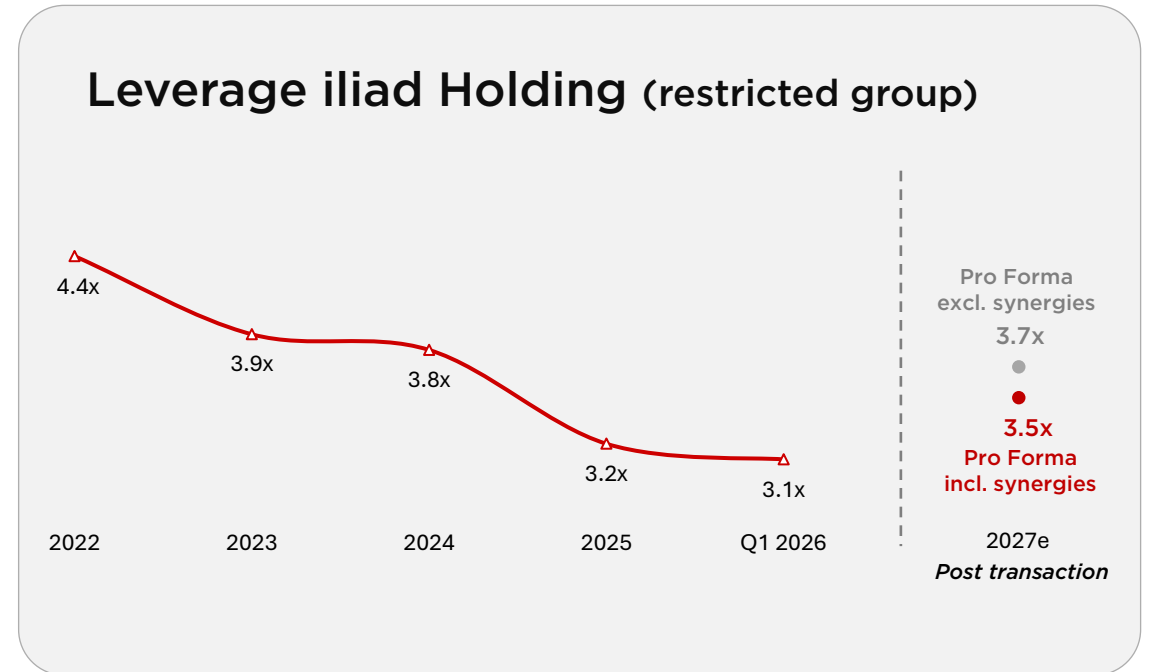
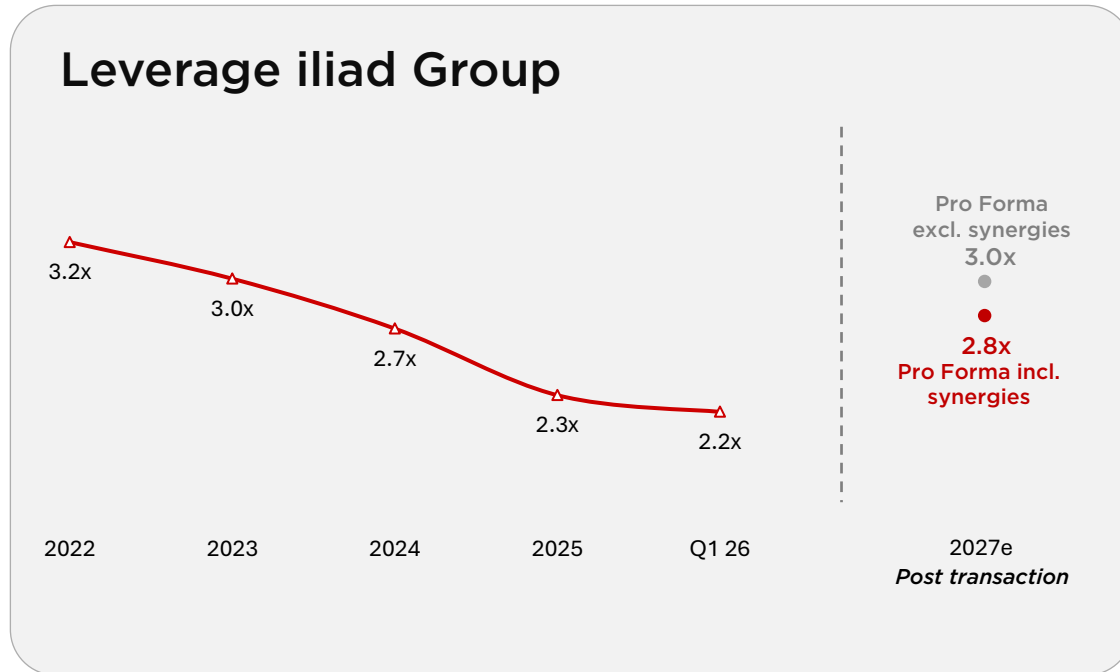
**Digital sovereignty & AI**

Frees up capacity to invest in cloud, AI &  
digital infras with sovereignty as a focus  
Long-term industrial vision for France's digital  
infrastructure

Strengthen iliad's capacity to innovate and  
disrupt the market

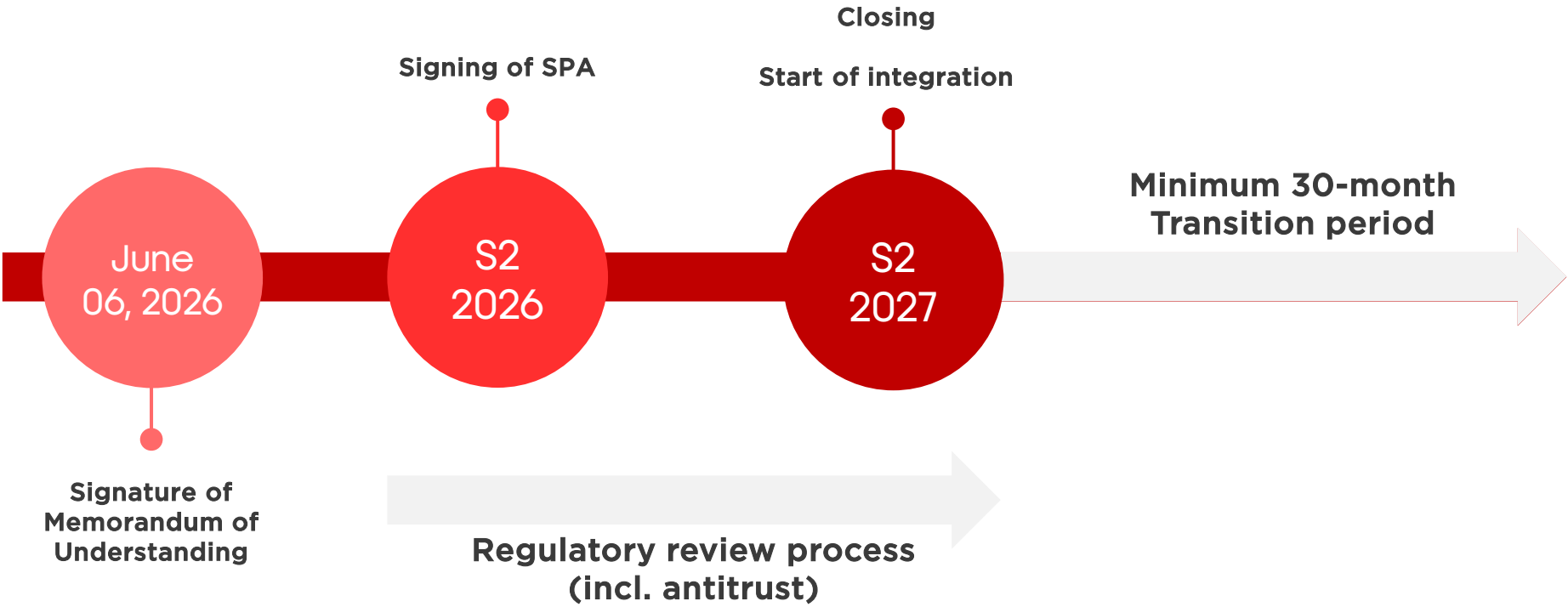
# Transaction **in line** with our **financial policy**

- In line with our leverage policy
- Strong visibility on deleveraging path thanks to synergies implementation
- A transaction fully financed (€6.5 billion debt package)



*Expected leverage ratios excl. synergies in line with iliad Group and iliad Holding leverage guidance (respectively 3.0x and 3.7x), and below (2.8x / 3.5x) including run-rate synergies*

# Regulatory Process and **expected timing**

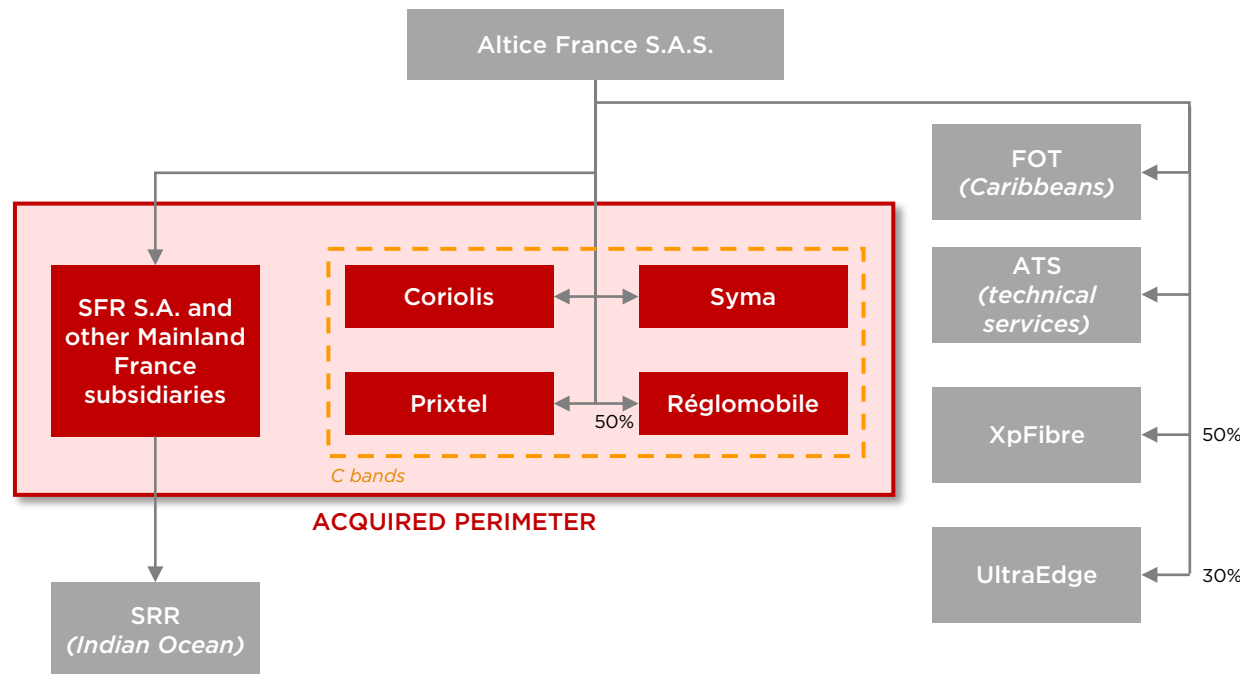


# Appendix

# Perimeter acquired by the Consortium

The Consortium would acquire most of Altice France's businesses and assets, and in particular SFR S.A. and its France metropolitan subsidiaries.

## Transaction perimeter



## Perimeter overview

- **B2C:** SFR's Mainland France fixed and mobile subscribers, incl. MVNOs
- **B2B:** Enterprise and SME telecoms perimeter, incl. mobile, fixed, ICT/managed services, and M2M/IoT
- **Wholesale:** B2B2B
- **Network:** RAN equipment, tower MSAs, backbone and backhaul assets
- **Frequencies:** Entire Altice France's frequency portfolio (low-, mid- and high-band)

## Key figures (2025 actuals)<sup>1</sup>

- **Subscribers:** 23 million (74% mobile / 26% fixed)
- **Revenues :** €8 billion (39% mobile postpaid, 38% fixed services, 23% prepaid + equipment + wholesale)
- **EBITDAaL :** €2.6 billion