



## Press release

Budapest, 30 November 2022

### **4iG PUBLISHED ITS Q3 REPORT**

*Group-level operations have significantly increased its efficiency*

- **In the first three quarters of the year, 4iG's revenue amounted to HUF 196.7 billion, EBITDA exceeded HUF 55.1 billion, and EBITDA margin was 28 percent.**
- **The ongoing integration of the Group's Hungarian IT and telecommunications companies will further strengthen cooperation between the divisions, enhancing short-term operational results.**
- **The merger of ALBtelecom and One Telecommunications could position 4iG as one of the leading players in the Western Balkan infocommunications market.**

In 4iG Plc's (4iG) Q3 report, the capital market company announced on the Budapest Stock Exchange that it continued its expansion strategy and significantly improved its balance sheet. The infocommunication group's operational efficiency was enhanced by structural changes in the third quarter. On 1 September, 4iG introduced a new corporate governance structure, aligning the central management of the Group with its large corporate operations. The restructuring has created centralised operational functions in key areas. 4iG remains Hungary's leading IT systems integrator and a key player in the domestic and the Western Balkan telecommunications sector.

The integration of the telecommunications companies in Hungary and the Western Balkans continued during the third quarter of 2022, improving the Group's operating results in the short term. ALBtelecom's strong fixed services and One Telecommunications' mobile market portfolio will position the 4iG group as the most dynamically growing operator in the Albanian telecoms market after the merger. The merger of the two companies will create a convergent telecommunications operator. The Montenegrin One Crna Gora significantly increased its results compared to a year ago thanks to a strong tourist season. The company launched its residential 5G service, the first next generation system in 4iG Group. In November, 4iG joined O-RAN Alliance (Open Radio Access Network), an international telecom industry organisation founded by the world's leading telco companies, which enabled the Group to join the branch of global IT and telecommunications providers.

4iG, with the preliminary approval of the Israeli Ministry of Communications, has acquired a 9.5 percent stake in Spacecom through public share issue, the company operates and develops Amos satellite systems. 4iG has an option to increase its stake to 20 percent in the coming months, which could rise to 51 percent over the next 3 years, subject to further approval by the authorities. The acquisition of Spacecom will enable 4iG to become a major player in global satellite services.

In November, 4iG acquired the media platform operator Honeycomb Group, which will carry on its services as Brisk Digital Group in Hungary and the Western Balkans region. The strategic partnership between 4iG and Rheinmetall reached an important milestone with the establishment of Rheinmetall 4iG Digital Services Kft. (R4 Kft.) in November. The joint venture, majority-owned by 4iG (51%), will play a progressively growing role in Rheinmetall's Hungarian and global IT support and will also offer IT services to independent market entities worldwide.



Edison Group's August analysis of the expected results of the acquisition of Vodafone Hungary highlighted that with the successful completion of the acquisition and the 5 million customers of the combined companies, 4iG would become the second largest convergent telecommunications group in the Hungarian market. Scope Ratings annual review of 4iG affirmed that the current B+ issuer and B+ debt ratings will remain open until the closing of the previously announced Vodafone Hungary transaction, as the completion of the acquisition could notably improve the Group's credit metrics and business risk profile, which could lead to a rating upgrade of up to two notches by Scope.

4iG Plc had consolidated net sales revenue of HUF 196.7 billion in the first nine months of 2022, the Group's IFRS EBITDA exceeded HUF 55.1 billion, with an EBITDA margin of 28 percent. The Group's M9 negative profit (loss) after tax (- HUF 7.7 bn) was due to acquisitions and related increased costs in the period under review, with the result expected to improve significantly in later periods as synergies are exploited. Recurring non-cash outflows in future periods had a significant impact on the result, in particular, depreciation and interest expense on newly acquired assets and liabilities due to IFRS compliance, and increased depreciation due to the harmonisation of accounting policies.

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**Notes for editors:**



*The Budapest-based 4iG Plc is Hungary's leading IT systems integrator with significant interests in the domestic and regional info-communications markets. The company has been present in the market for innovative industry-independent IT technologies for more than 27 years. The company is continuously expanding its services and portfolio to meet the changing needs and demands of the ICT market. The Group employs nearly 6,000 people. 4iG is a broad-spectrum solutions provider with significant interests in IT, telecommunications, satellite telecommunications and telecommunications infrastructure development. Listed on the Budapest Stock Exchange, the company aims to build a dominant market position in a wide range of info-communications services in Hungary, Central Eastern Europe, and the Western Balkans. [www.4ig.hu/home](http://www.4ig.hu/home)*

**More information:**

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