



Press release

Budapest, 22nd August 2022.

4iG GROUP INTENDS TO BUY VODAFONE HUNGARY JOINTLY WITH THE HUNGARIAN STATE

“This will be the most significant market-shaping transaction in the telecoms industry in Hungary since the privatisation of Matáv in the 1990s.”

Key facts:

- **4iG Nyrt. (4iG), Corvinus Zrt., representing the Hungarian State, and the Vodafone Group have agreed heads of terms for the sale of a 100% stake in Vodafone Magyarország Távközlési Zrt. (Vodafone Hungary) for a total cash consideration equivalent to an enterprise value of HUF 715 bn. This represents a multiple of 7,7x EBITDA* for the twelve month period ending 31st March 2022.**
- **The combination of 4iG and Vodafone Hungary is a significant step towards building a Hungarian owned national champion in the ICT sector.**
- **The planned transaction creates significant potential for further growth through cross-selling opportunities, full fixed-to-mobile convergence and scale, resulting in major B2B and B2C revenue synergies. The potential of infrastructure consolidation creates sizeable long-term shareholder value from in-market cost and capex saving synergies.**
- **The net present value of the combined revenue, cost and capex saving synergies is estimated to be more than 150 billion HUF.**
- **With the proposed acquisition, 4iG will acquire a 51% stake in the second largest Hungarian telecommunications operator, while the Hungarian State will acquire a 49% stake.**
- **The planned transaction is expected to close by end of 2022, and is subject to confirmatory due diligence, finalising binding transaction documentation and obtaining necessary regulatory approvals.**

4iG continues its expansion in the telecommunications market with a strategic acquisition which represents a significant further step in it becoming the Hungarian owned national champion in the ICT sector. Based on today's announcement on the Budapest Stock Exchange, 4iG, together with the Hungarian State, have entered into non-binding heads of terms with the Vodafone Group to acquire a 100% stake in Vodafone Magyarország Távközlési Zrt., Hungary's second largest telecommunications company. With the acquisition, 4iG will become the majority owner of 51 percent of Vodafone Hungary, while the Hungarian State will have a 49 percent stake. Vodafone Hungary is being acquired for a total cash consideration equivalent to an enterprise value (EV) of HUF 715 bn. This represents a multiple of 7,7x EBITDA* for the twelve month period ending 31st March 2022.

The acquisition of Vodafone Hungary will fundamentally reshape the Hungarian telecoms market. In addition to fixed voice, internet, pay-TV and digital terrestrial broadcasting, 4iG will also become a major player in mobile telecommunications after completion of the transaction. Through its joint acquisition with the Hungarian State, the infocommunications group can accelerate its integration processes in all segments of the industry and, due to its state-of-the-art innovative solutions and technologies, has the potential to play a key role in the digital transformation of the Hungarian economy. The transaction creates significant potential for further growth through cross-selling

* Transaction value excludes IFRS 16 lease liabilities



opportunities, full fixed-to-mobile convergence and scale, resulting in major B2B and B2C revenue synergies. Additional sizeable long-term shareholder value is set to be created from in-market cost and capex saving synergies due to infrastructure consolidation. The net present value of the combined revenue, cost and capex saving synergies is estimated to be more than 150 billion HUF.

“The acquisition of Vodafone Hungary will be the most significant domestic telco transaction in the last thirty years, of a similar extent to the privatisation of Matáv after the regime change. The acquisition will create a predominantly Hungarian-owned group of infocommunications companies and a clear number two operator in the Hungarian market,” stressed **Gellért Jászai**, Chairman and CEO of 4iG, in connection with the announcement. *“Following the successful completion of the acquisition, our Group will have one of the largest digital infrastructures in Hungary, which, due to its prominent role, will become a significant player in Hungarian telecommunications for many decades to come”.*

Vodafone Hungary is the second largest player in the Hungarian market in absolute terms of share of subscriptions, serving more than 3.8m residential and business (3.0m mobile and 0.8m fixed) subscribers, and with 5.0m (3.0m mobile, 0.7m TV, 0.7m broadband and 0.6m fixed voice) revenue generating units (RGU) as of July 2022. In total, the combined group created by the proposed acquisition would have 5 million customers and have 7,6 million RGUs as of July 2022. Vodafone Hungary’s digital infrastructure could place 4iG among the most advanced operators in the Hungarian fixed voice and internet, cable TV, and mobile markets. The business solutions of 4iG will provide a wide range of digitalisation services to the enterprise and government sectors in the areas of data network solutions, virtual data centres and IoT technologies. Vodafone Hungary was the first company in Hungary to offer 5G services to its subscribers, and the company’s next-generation mobile service is continuously expanding nationwide with hundreds of base stations in Budapest and the Balaton region.

In the 2021/22 financial year, Vodafone Hungary’s annual net revenue was HUF 278 billion and its adjusted EBITDA exceeded HUF 93 billion. The company has more than 3,000 employees.

The planned transaction is expected to close by end of 2022, and is subject to confirmatory due diligence, finalising binding transaction documentation and obtaining necessary regulatory approvals.

Notes for the editors

About 4iG Plc.

The Budapest-based 4iG Plc is Hungary’s leading IT systems integrator with significant interests in the Hungarian and regional telecommunications markets. The company has been active 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 6,200 people in Hungary and the Western Balkans. 4iG is a broad-spectrum solutions provider with significant interests in IT, telecommunications, satellite telecommunications and telecommunications infrastructure development. The company, listed on the Budapest Stock Exchange, aims to build a strong market position across a wide range of infocommunication services.

www.4ig.hu/home



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