

MASMOVIL Group acquires the virtual mobile operator "Lycamobile España"

- With this new acquisition, MASMOVIL Group reinforces its position in the prepaid segment, after the integration of Llamaya and Lebara.
- This operation will generate important synergies that will result in an incremental EBITDA of €75M per year.
- After the incorporation of this operator, the Group will reach 10.4 million customers in Spain and revenues of €1,800M.

Madrid, March 2nd, 2020.– [MASMOVIL Group](#) has signed an agreement for the acquisition of the virtual mobile operator "Lycamobile España", which will allow it to **strengthen its position in the prepaid segment**, in which it already has an important presence after the purchase of Llamaya and Lebara, and to **continue leading the growth of the telecommunications market in Spain**.

MASMOVIL will pay cash consideration of approximately €372 million for the acquisition of Lyca on a debt free transaction basis. The payment will be spread in three installments of €307 million to take place at closing, €30 million in six months after closing and a final payment of €35 million twelve months after closing. This will result in an initial EV/EBITDA-CAPEX multiple of 8.2x pre-synergies and c.5x post-synergies, without a significant impact on the Group's financial leverage.

The transaction **will be financed by bank debt that has been committed by two leading international financial institutions. The acquisition is subject to the authorization of Antitrust Authorities.**

Lyca is a virtual mobile operator specialized in the prepaid segment that started operating in Spain in 2010. By the end of last year, it had around **1.5 million lines, with an average ARPU slightly above €7. In 2019, Lyca generated revenues of €132M with an EBITDA of €45M.**

It will generate important synergies that will reach €70M euros in 2021

MASMOVIL estimates that the acquisition of Lyca will allow the generation of synergies mainly through a reduction of mobile network costs, which will generate **a proforma post synergy EBITDA of more than €75M per year.** These synergies are expected to start crystallizing from the beginning of **2021, expected to reach €70M in that year.**

The operation of Lyca is **not expected to require any relevant additional capital expenditure for MASMOVIL**, and thus the EBITDA generated by the transaction is expected to fully translate into Operating Cash Flow.

In the case of **Llamaya, the initial EBITDA expectation has been doubled, while Lebara is also on track to achieve the targeted EBITDA expansion.**

After the acquisition of Lyca, MASMOVIL Group continues to consolidate its position as

the fourth operator in Spain with **10.4M clients and revenues of around €1,800M.**

"We are very pleased to incorporate Lyca into our Group as it fits perfectly into our commercial strategy. We will continue to work on creating value for our customers and for the telecommunications market. We welcome Lyca's clients and I hope that they will soon be able to enjoy the advantages of belonging to MASMOVIL Group", said Meinrad Spenger, CEO of MASMOVIL

In this transaction Pérez Llorca has acted as MASMOVIL's legal advisor, while EY has performed the legal, tax, labor and compliance due diligence, and BNP Paribas has been MASMOVIL's financial advisor.

About MASMOVIL Group

MASMOVIL Group is the fourth largest telecommunications operator in Spain that provides fixed, mobile and broadband Internet services for residential, business and Wholesale, through its main brands: Yoigo, Pepephone, MASMOVIL, Hits Mobile Lebara and Llamaya.

The group relies on a fiber/ADSL network for broadband and 3G and 4G network for mobile telephony. At present covers 23.4 million fiber households and reaches 18 million homes with ADSL. The companies' 4G mobile network covers 98,5% of the Spanish population. The Group has more than 8.9 million customers in Spain at the end of December 2019.

MASMOVIL Group has been awarded with the prize "["Best fiber operator" by ADSLZone 2019"](#) and the "["Best fiber operator" by the website El Grupo Informático](#)". In addition, it has been named "["Revelation Company"](#)" in the Business Awards of the Vocento Group and it is the Spanish mobile operator best valued by its customers by "["The Stiga Customer Experience Index 2019 \(ISCX\)"](#)".

Additionally, it is the operator with the fastest fiber network in Spain according to a study during 2019 by the company, [nPerf](#).

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