

## Liberty Global: the Great Global Sell-Off

In conjunction with the restructuring of its Latin American business, Liberty Global PLC has sold eight operators since the beginning of 2017. The sales involved some 11.0 million cable subscribers, 800,000 direct-to-home subs and 500,000 mobile subs and generated over \$23.1 billion.

Operator sold		Countries of operation		Buyer	Deal value (\$M)	Deal value in local currency (M)	Completion date	Customer relationships (excluding mobile) pre-completion*	Value per sub (\$)
Flow (Cable & Wireless Communications)		Barbados, Jamaica, Cayman Islands, St. Kitts and Nevis, Trinidad and Tobago, Montserrat, Dominica, Antigua & Barbuda, St. Vincent, St. Lucia, Grenada, Anguilla, Curacao, Turks and Caicos Islands, British Virgin Islands		Units spun-off from Liberty Latin America and Caribbean (LiLAC) to new entity Liberty Latin America, with John Malone holding a 25% stake, and total revenue of \$3.75 billion.	-	-	12/29/17	711,600	-
Movil	Panama							186,600	
BTC	Bahamas							49,500	
VTR/Cabletica	Chile, Costa Rica							1,395,300	
Liberty Puerto Rico	Puerto Rico							408,200	
UPC Austria	Austria		T-Mobile Austria	2,249.32	€1,900	07/31/18		657,400	3,421.54
UPC Direct	Hungary		M7 Group	205.43	€180	04/15/19	756,800	271.45	
freeSAT	Czech Republic, Romania								
FocusSat	Romania		Vodafone	21,819.04	€18,400	07/18/19	7,179,100 865,500 961,700 613,600	2,268.12	
Unitymedia	Germany								
UPC Hungary	Hungary								
UPC Romania	Romania								
UPC Czech Republic	Czech Republic		Sunrise	6,298.30	CHF 6,300	Deal termination announced in November 2019.	1,070,700**	5,882.41	
UPC Switzerland	Switzerland								

\* End of quarter data before the completion date.

\*\* End of Q2 2019 data.

Sources: Industry data; Kagan estimates

Kagan, a media research group within the TMT offering of S&P Global Market Intelligence.

© 2019 S&P Global Market Intelligence. All rights reserved.

The pay TV giant failed to achieve significant economies of scale when running more than 20 operators in over 30 countries in the years prior to 2017 when the sell-off started.

The cash generated from the sales will allow Liberty Global to deleverage and focus on its more profitable operations with healthier pay TV and broadband markets: Virgin Media in the United Kingdom and Ireland; UPC Schweiz in Switzerland; Telenet in Belgium where it has a 57.27% stake; and the 50/50 joint venture with Vodafone Group PLC in the Netherlands VodafoneZiggo. In Eastern Europe, Liberty Global also has operations in Poland and Slovakia. The total debt of the companies mentioned above was \$40.2 billion at the end of June 2019.

Liberty Global has exited smaller markets in the past, namely Sweden and Norway in the early 2000s.

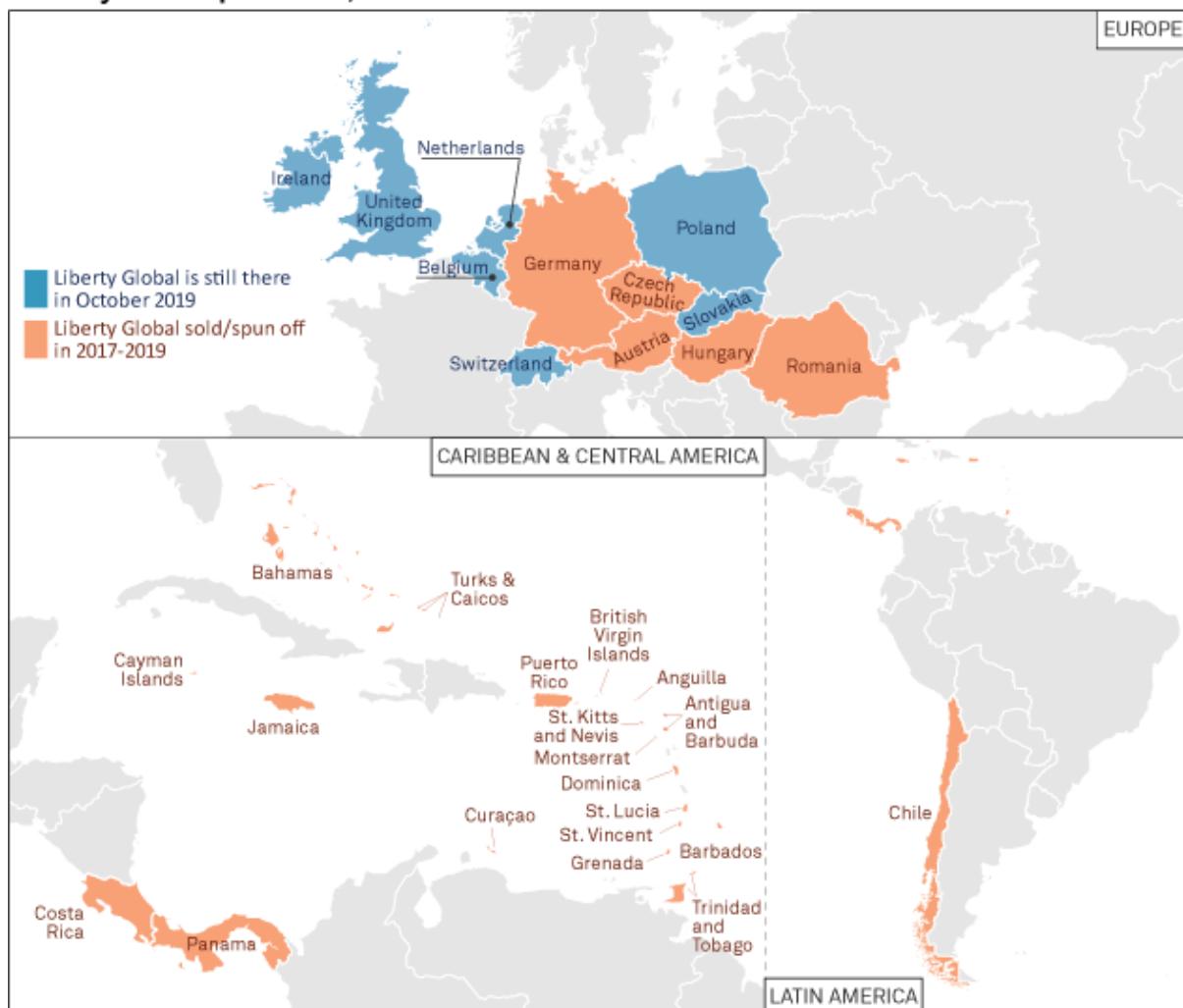
Vodafone recently acquired Liberty Global's assets in Germany, Hungary, Romania and the Czech Republic for €18.4 billion as part of a broader Liberty Global strategy of exiting Europe following years of consolidating cable around Europe with little appetite to invest billions in acquiring mobile operations, with UPC struggling to maintain growth in recent years amid saturation, over-the-top service impacts and regulatory pressures.

Vodafone has pursued fixed-mobile convergence for over a decade. A more recent strategy of acquiring cable assets has helped it to find some success in selling converged services, with Spain, Germany and the Netherlands as examples.

Liberty Global attempted to sell UPC Schweiz in Switzerland to Sunrise terminated the Share Purchase Agreement in November 2019.

Liberty Global's deals are critical for a group carrying a heavy debt load. The cash generated will provide a major competitive boost in its key markets as it embarks on major investments in gigabit broadband speeds via DOCSIS 3.1, 5G and IoT in its key markets.

### Liberty Global presence, as of November 2019



As of November 2019.

Map credit: Clarialou Agpalo Palicpic

Sources: Operator data and Kagan estimates; S&P Global Market Intelligence

Kagan, a media research group within the TMT offering of S&P Global Market Intelligence.

© 2019 S&P Global Market Intelligence. All rights reserved.

**S&P Global**  
Market Intelligence

## Liberty Global presence in Europe



As of November 2019.

Map credit: Ciaralou Agpalo Palicpic

Sources: Operator data and Kagan estimates; S&P Global Market Intelligence  
Kagan, a media research group within the TMT offering of S&P Global Market Intelligence.  
© 2019 S&P Global Market Intelligence. All rights reserved.

**S&P Global**  
Market Intelligence

## Vodafone presence in Europe



As of November 2019.

Map credit: Ciaralou Agpalo Palicpic

Sources: Operator data and Kagan estimates; S&P Global Market Intelligence  
Kagan, a media research group within the TMT offering of S&P Global Market Intelligence.  
© 2019 S&P Global Market Intelligence. All rights reserved.

**S&P Global**  
Market Intelligence

## Liberty Global presence in the Caribbean area and South America



As of November 2019.

Map credit: Clarialou Agpalo Palicpic

Sources: Operator data and Kagan estimates; S&P Global Market Intelligence

Kagan, a media research group within the TMT offering of S&P Global Market Intelligence.

© 2019 S&P Global Market Intelligence. All rights reserved.

**S&P Global**  
Market Intelligence