



Bezeq Group

Q3-2025

Investor Presentation

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Glossary

- Q3-2025 and 9M-2025 results in this earnings release are presented in comparison to Q3-2024 and 9M-2024 results, respectively, unless otherwise stated
- Adjusted EBITDA and Adjusted Net Profit - After adjusting for other operating expenses/income, net, one-time losses/gains from impairment/increase in value of assets and stock-based compensation
- Free cash flow - Cash flow from operating activities less net payments for investments and leases
- Group Core Revenues - Group revenues excluding Bezeq Fixed-Line telephony revenues, Pelephone interconnect fees, Bezeq International consumer revenues and Bezeq Online revenues
- Bezeq Fixed-Line Core Revenues - Total fixed-line revenues excluding telephony revenues
- Pelephone revenues and ARPU in this presentation are excluding interconnect fees, unless stated otherwise
- yes ARPU - includes all yes revenues, excluding revenues from content sales to external broadcasting entities and revenues from the sale of end-user equipment
- IP subscribers - the number of yes subscribers viewing IP broadcasting through the yes+ and STINGTV services. This includes subscribers that use satellite services as well
- yes financial data in this presentation are proforma numbers



Bezeq Group | Q3-2025 Summary



1.7% growth in core revenues to NIS 2 billion, due to continued growth in strategic drivers



26% increase in fiber subscribers, 4% in retail broadband ARPU, 13% in 5G subscriber plans and 4% in mobile ARPU



1.9% growth in Bezeq Group retail broadband subscribers⁽¹⁾ with fiber infrastructure take-up at 34%⁽²⁾



Adj. EBITDA grew 13.8% and Adj. Net Profit rose 56%, mainly due to yes' higher valuation



Regulatory developments – further progress in the process for the removal of the structural separation, in light of the call for public comments published by the Ministry of Communications



⁽¹⁾ Bezeq Fixed-Line retail broadband + yes fiber bundle subscribers

⁽²⁾ As of reporting date



Bezeq's Compass | Technological & Business Roadmap



Migration to fiber

2020

Launch of fiber project

Today

- 2.88m homes passed
- 969k subscriber take-up (retail + wholesale)
~65% of total broadband subs
- 34% take-up rate
- 33% increase in broadband ARPU⁽¹⁾ to NIS 136

Mid-term

- 40% take-up rate (retail + wholesale)
- Retail ARPU – above NIS 140



Transition to 5G

5G Tender Award

- ~1.36m postpaid subscribers
(59% of postpaid subscribers)
- 115k 5GMAX subs
- ARPU – NIS 48

- Approx. 80% 5G subscriber plans
- Cellular ARPU – NIS 45-50

yes.

Migration to IP

Satellite to IP migration

488k IP subscribers (86%)
~ 111k fiber subscribers
ARPU – NIS 189

- IP migration completed
- OpEx and CapEx savings
- ARPU – NIS 190-195

Strategic investments in infrastructure continue to provide a solid foundation for growth



Bezeq Group | Q3-2025 Summary

Core Revenues

NIS **2.0** billion

~93% of Group Revenues

↑ 1.7%

Adj. EBITDA

NIS **1.04** million

Adjusted EBITDA margin of 48.5%

↑ 13.8%

Adj. Net Profit

NIS **482** million

↑ 56.0%

Excluding impact of change in yes valuation:

↑ 3.9%

↑ 0.1%

Free Cash Flow

NIS **331** million

↓ 9.3%

Decrease in Net Debt

NIS **77** million

↓ 1.6%



Bezeq Group | Q3-2025 Summary (cont'd)



Fiber Net Adds

47k ⁽²⁾

(retail and wholesale)

Fiber Subscribers

969k ⁽¹⁾

(retail and wholesale)

Retail Broadband ARPU

NIS **136**

↑ 3.8%

Homes Passed

2.88 million ⁽¹⁾

Take Up rate

34% ⁽¹⁾



Cellular subscribers

2.66 million

↑ 0.8%

5G subscriber plans

1.36 million ⁽¹⁾

59% of postpaid subscribers ⁽¹⁾

111k 5GMAX subscribers ⁽¹⁾

16k

Net postpaid
subscriber adds ⁽²⁾

Cellular ARPU

NIS **48**

↑ 4.3%

Cellular Service Revenues

NIS **381** million

↑ 4.4%

yes.

Revenues

NIS **321** million

↑ 1.3%

TV subscribers

565k

↑ 0.5 ⁽²⁾

86% IP subscribers ⁽¹⁾

~111k TV + fiber bundle
subscribers ⁽¹⁾

yes ARPU

NIS **189**

⁽¹⁾ As of reporting date

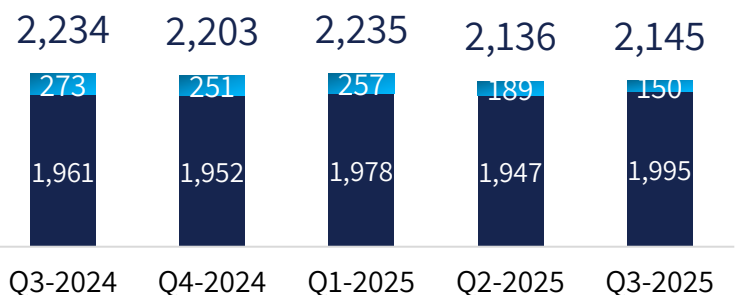
⁽²⁾ Compared to Q2-2025



Bezeq Group | Q3-2025 Key Financial Highlights | NIS million

Revenues

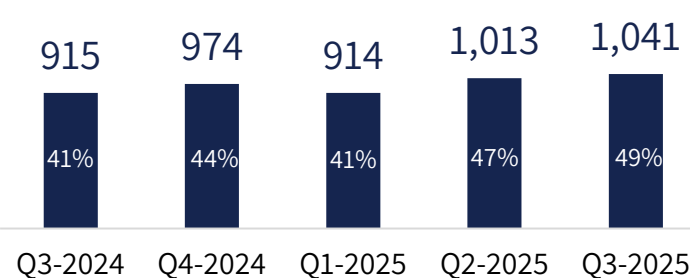
↑ 1.7%⁽¹⁾



■ Fixed-line telephony, Pelephone interconnect and Bezeq Intl consumer and Bezeq Online
■ Core revenues

Adjusted EBITDA

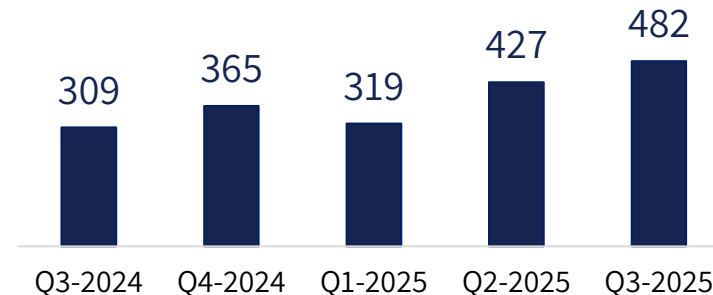
↑ 13.8%



% - Adjusted EBITDA margin

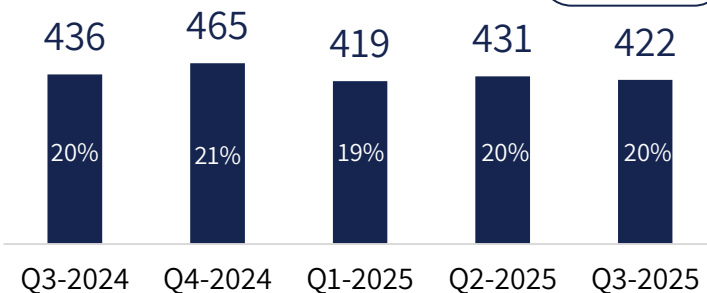
Adjusted Net Profit

↑ 56%



CapEx

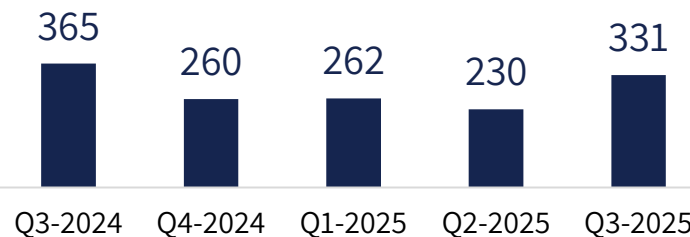
↓ 3.2%



% - Capex/Sales

Free Cash Flow

↓ 9.3%



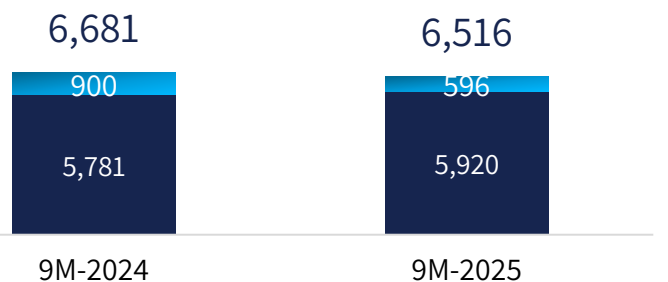
- Higher core revenues across all key group segments
- Adj. EBITDA and Adj. Net Profit were positively impacted by yes' higher valuation. After excluding the impact of yes' valuation, Adj. EBITDA increased 3.9% and Adj. Net Profit increased 0.1%
- Free cash flow was impacted by timing differences in working capital



Bezeq Group | 9M-2025 Key Financial Highlights | NIS million

Revenues

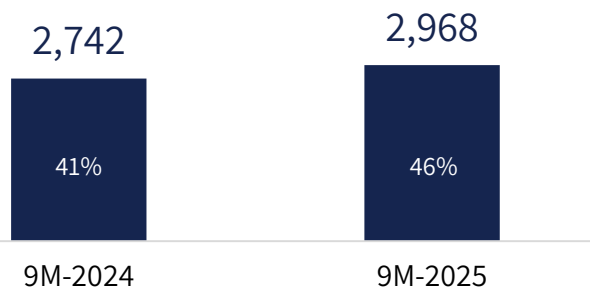
↑ 2.4%⁽¹⁾



■ Fixed-line telephony, Pelephone interconnect and Bezeq Intl consumer and Bezeq Online
■ Core revenues

Adjusted EBITDA

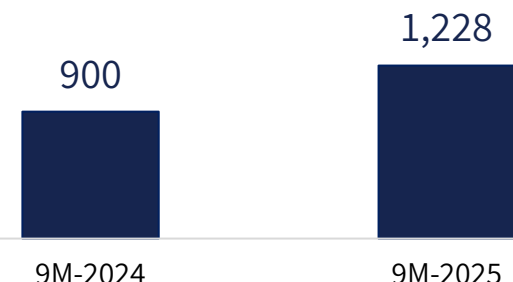
↑ 8.2%



% - Adjusted EBITDA margin

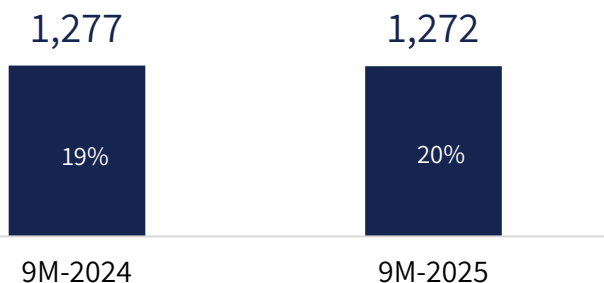
Adjusted Net Profit

↑ 36%



CapEx

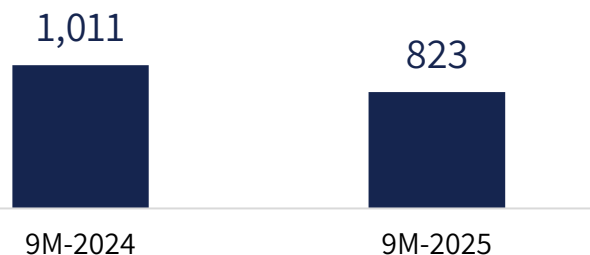
↓ 0.4%



% - Capex/Sales

Free Cash Flow

↓ 18.6%



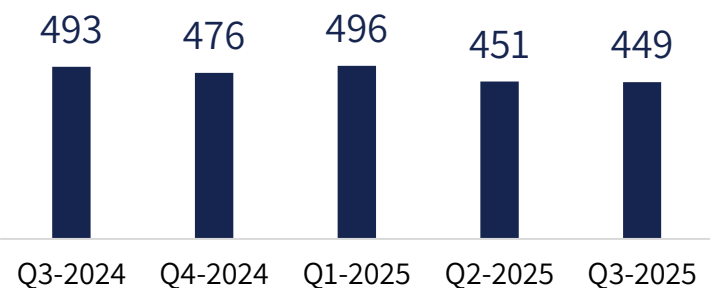
- Changes in revenues, Adj. EBITDA and Adj. Net Profit in 9M-2025 were similar to trends in Q3-2025
- After adjusting for yes' valuation, Adj. EBITDA increased 1.5% and Adj. Net Profit decreased 5.3%
- Free cash flow was impacted by Bezeq Fixed-Line tax assessments paid in 9M-2025 and a tax refund received in the corresponding period



Bezeq Group | Operating Expenses | NIS million

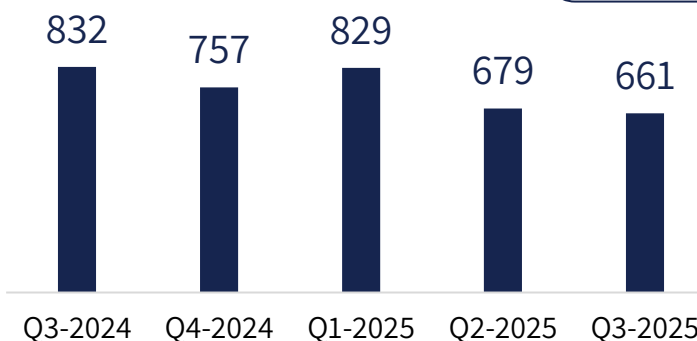
Salaries

↓ 8.9%



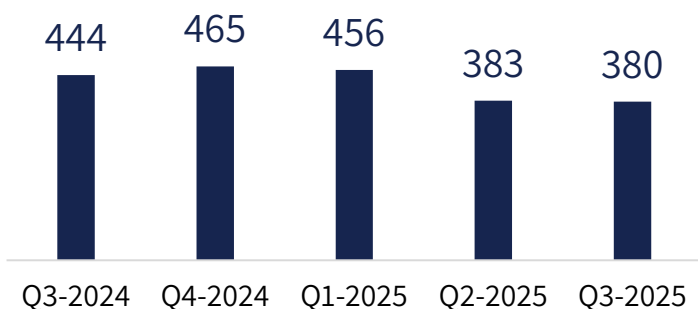
Operating Expenses

↓ 20.6%



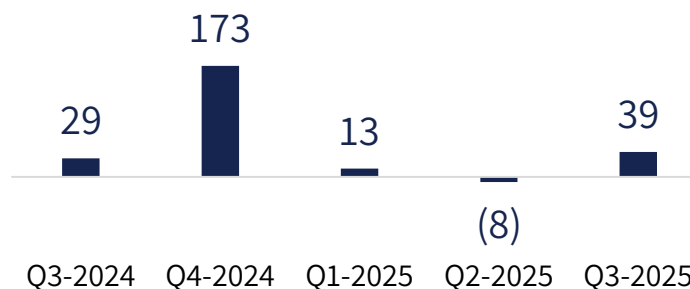
Depreciation & Amortization

↓ 14.4%



Other Expenses (Income)

↑ 34%

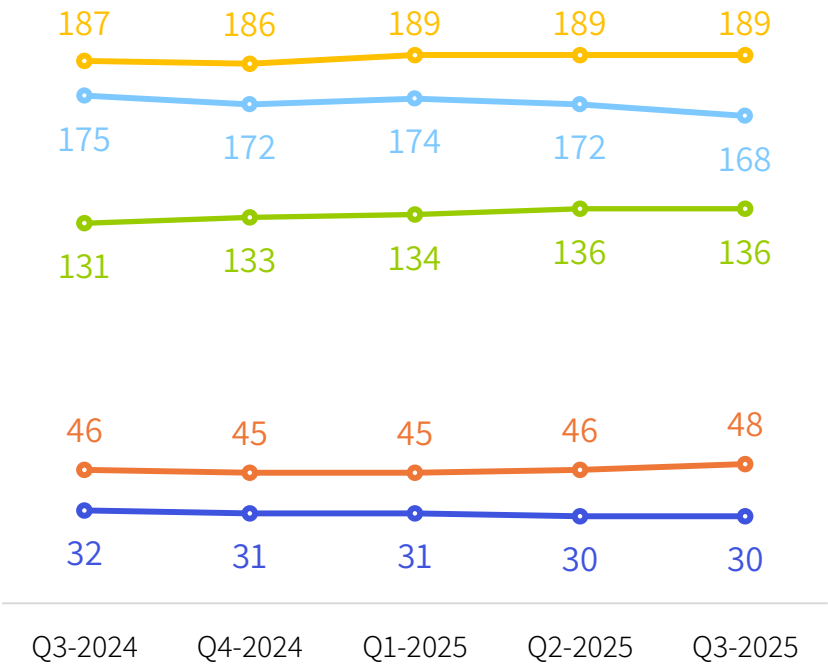


- Lower salary expenses due to the sale of Bezeq Online and its deconsolidation as of Q2-2025
- Lower operating expenses and depreciation mainly due to the change in yes' valuation
- Other expenses was impacted by higher provisions for legal claims and employee retirement at Bezeq Fixed-Line

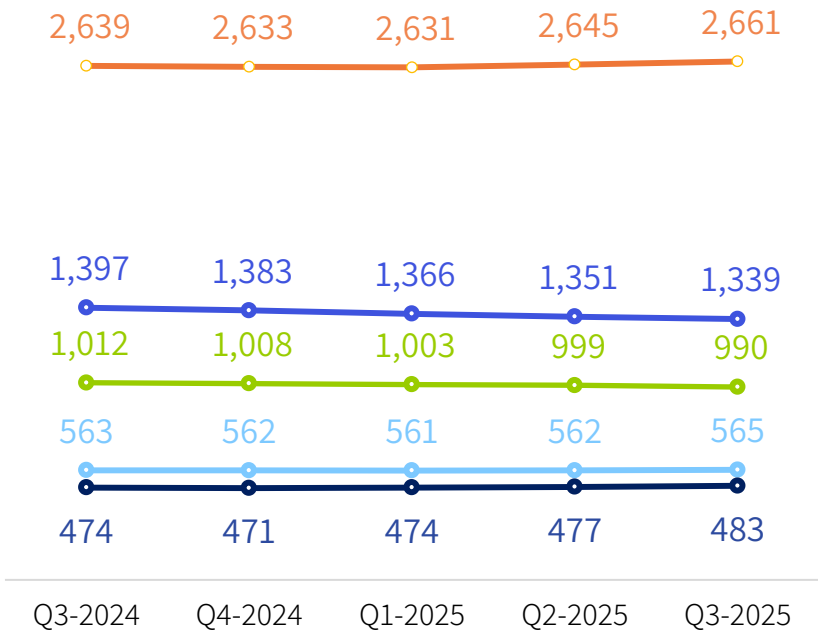


Bezeq Group | Key Quarterly Operational Metrics

ARPU (NIS)



Subscribers (end of period, in thousands)

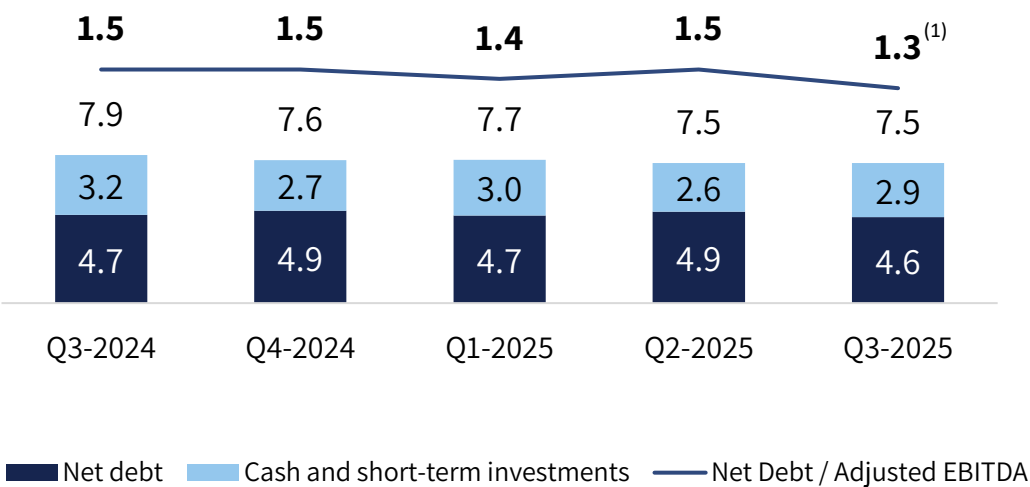


yes TV yes ARPU Wholesale broadband Retail broadband Telephony Cellular



Bezeq Group | Financial Debt

Financial Debt (NIS billion)



The Group maintains its high credit rating, within the AA group

Decrease in net debt

- Decrease of NIS 77 million, or 1.6%, to NIS 4.6 billion

Net debt/Adjusted EBITDA ratio – 1.3 times

Debt ratings

Rating Agency	Rating	Outlook
S&P Global Maalot	ilAA	Stable
Midroog	Aa2.il	Stable

(1) The decrease in Net Debt/Adjusted EBITDA ratio is due to an increase in EBITDA due to a higher valuation of yes. Excluding the impact of yes’s valuation, the ratio was similar to the corresponding quarter



Bezeq Group | 2025 Outlook (Unchanged)



Original Outlook March 12, 2025



Outlook as of May 11, 2025



Revised Outlook⁽¹⁾ July 30, 2025

Adj. EBITDA ⁽¹⁾	NIS 3.7 billion	NIS 3.75 billion	NIS 3.85 billion
Adj. net profit ⁽¹⁾	NIS 1.2 billion	NIS 1.32 billion	NIS 1.45 billion
CapEx	NIS 1.75 billion	Unchanged	Unchanged
Fiber deployment	2.9 million households	Unchanged	Unchanged
Financial stability	Maintain high credit rating, within the AA group	Unchanged	Unchanged

⁽¹⁾ The Company will report, as required, deviations of more/less than 10% of the financial amounts stated in the revised outlook (Adjusted net profit, Adjusted EBITDA and CapEx)



Bezeq Fixed-Line | Q3-2025 Summary



Fixed-Line core revenues increased 2.2% to NIS 991 million, driven by higher revenues from transmission and data communications, broadband and cloud & digital services



Adj. EBITDA increased 0.5% to NIS 641 million

Adj. Net Profit decreased 10.5% to NIS 214 million, due to higher depreciation and financing expenses



Expansion of IRU agreement with Gilat Telecom



Retail fiber customers reached 616k as of today, with 3.8% growth in retail broadband ARPU reaching NIS 136



Fiber network homes passed reached 2.88m with 969k take-up (34%)⁽¹⁾ representing ~65% of total broadband subscribers



MOC publication of call for public comments regarding removal of structural separation

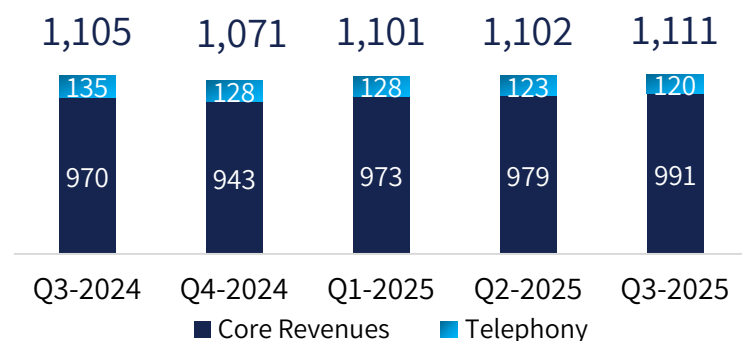


⁽¹⁾ Retail and wholesale, as of reporting date

Bezeq Fixed-Line | Q3-2025 Key Financial Highlights | NIS million

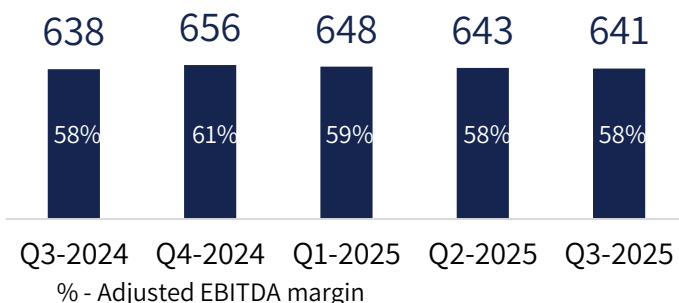
Revenues

↑ 2.2%⁽¹⁾



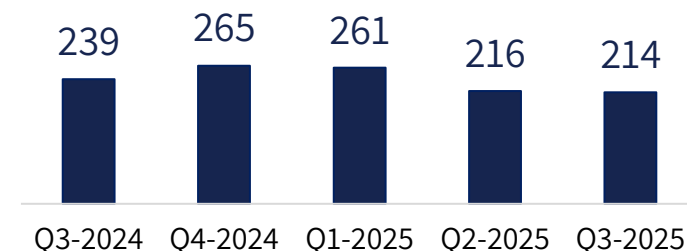
Adjusted EBITDA

↑ 0.5%



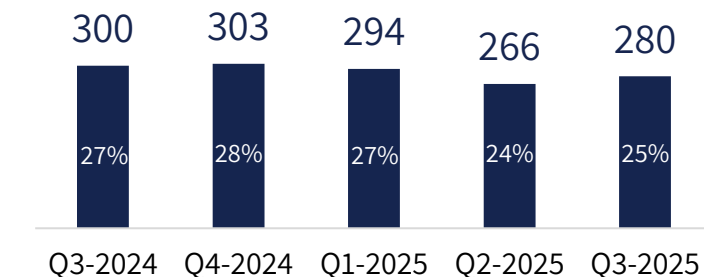
Adjusted Net Profit

↓ 10.5%



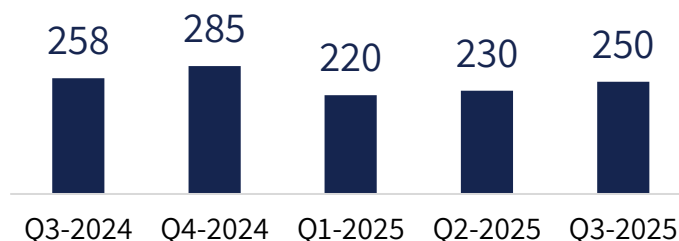
CapEx

↓ 6.7%



Free Cash Flow

↓ 3.1%



- 2.2% growth in core revenues driven by higher revenues from transmission and data communications, broadband and cloud & digital
- Moderate increase in Adj. EBITDA due to higher core revenues, partially offset by lower telephony revenues
- Decrease in Adj. Net Profit due to higher depreciation and financing expenses

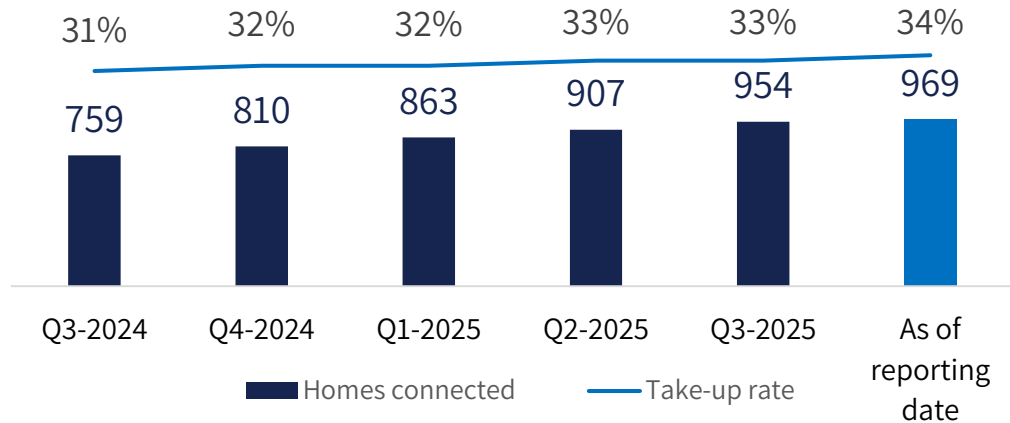
% - Capex/Sales

⁽¹⁾ % change in core revenues



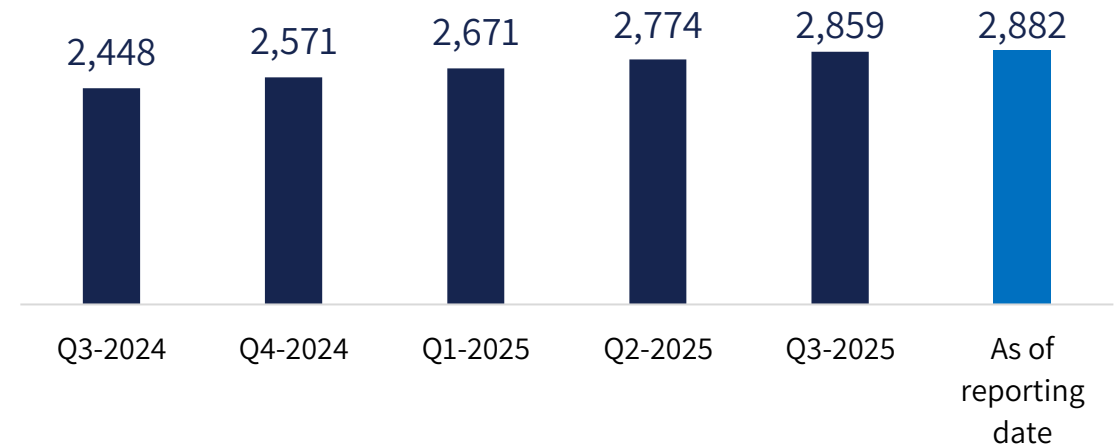
Bezeq Fixed-Line | Continued Fiber Deployment and Take-Up Focus

Total Fiber Take-Up (thousands, Retail and Wholesale)



~ 970k active subscribers on Bezeq's fiber network

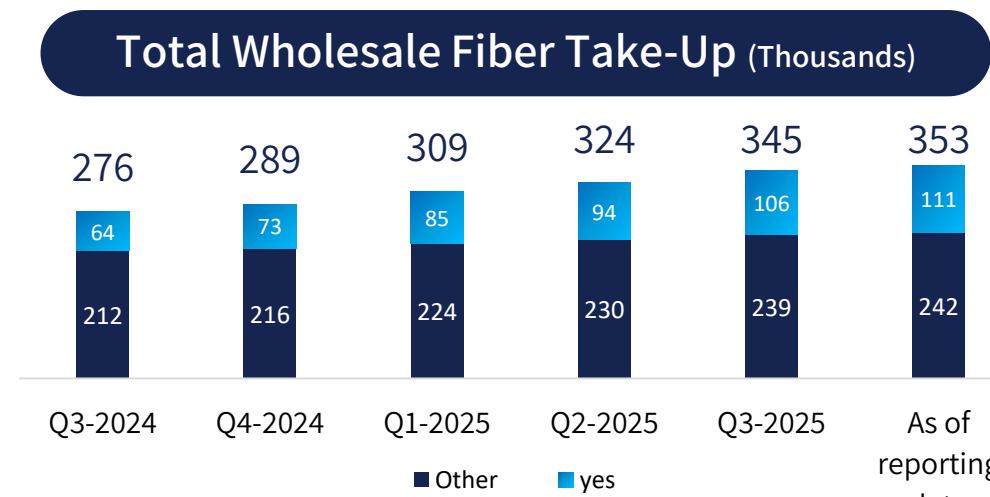
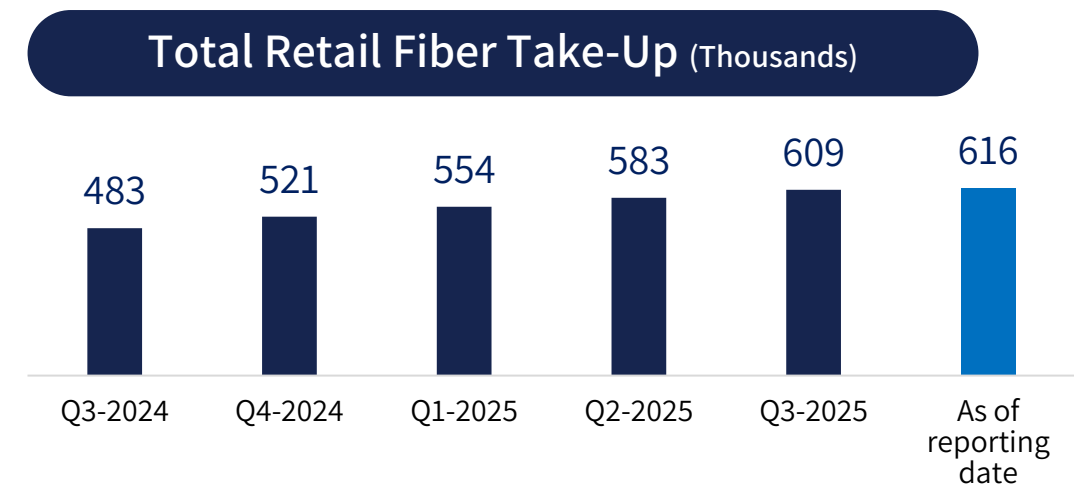
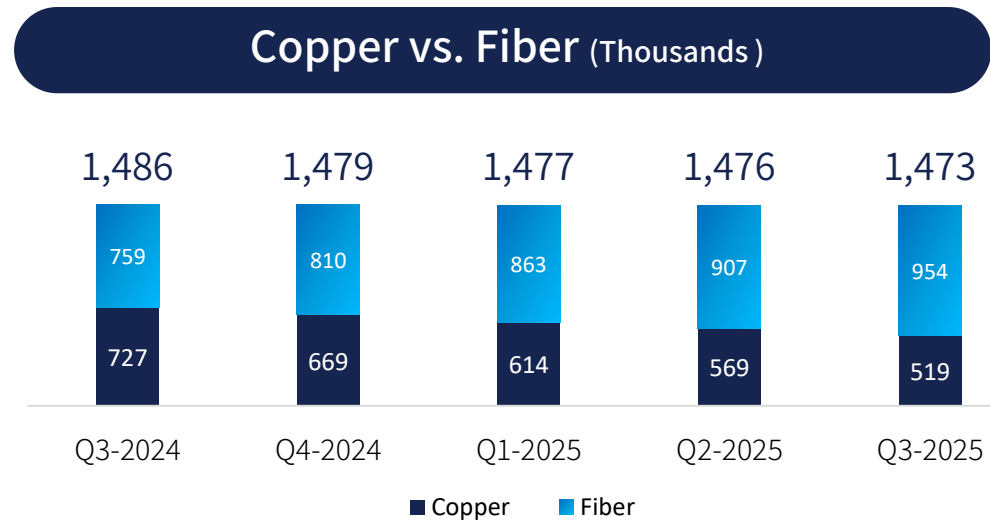
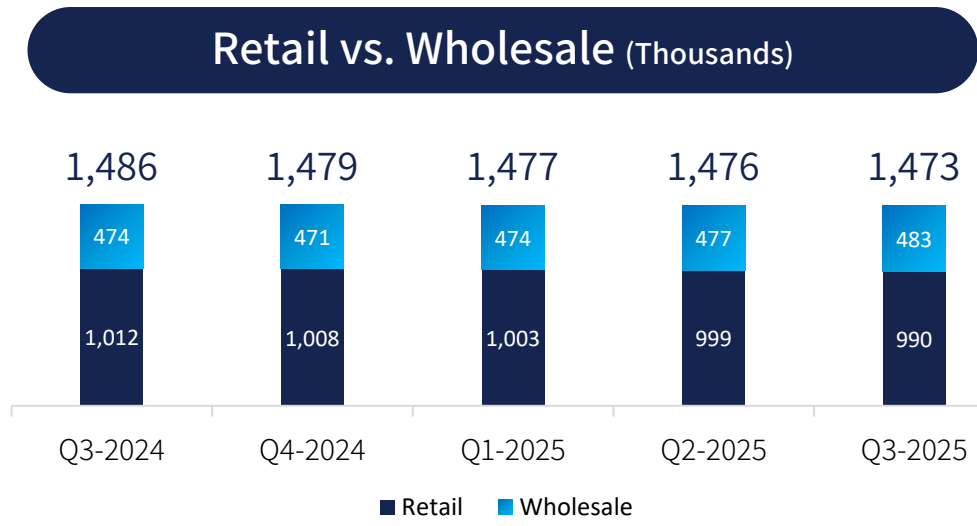
Homes Passed (thousands)



Reaching deployment target of 2.9 million homes passed



Bezeq Fixed-Line | Fiber Take-Up – Retail and Wholesale



Fiber subscribers represent 62% of total retail subscribers

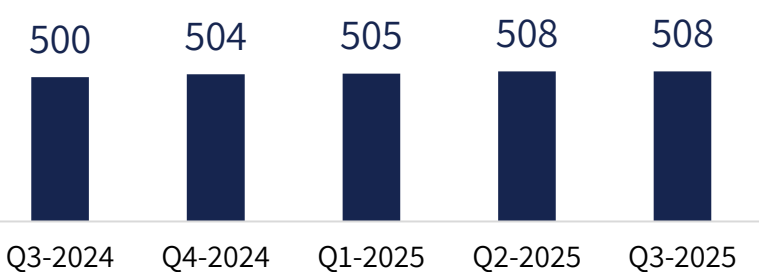
25% y-o-y increase in wholesale take-up



Bezeq Fixed-Line | Q3-2025 Revenues | NIS million

Broadband Revenues

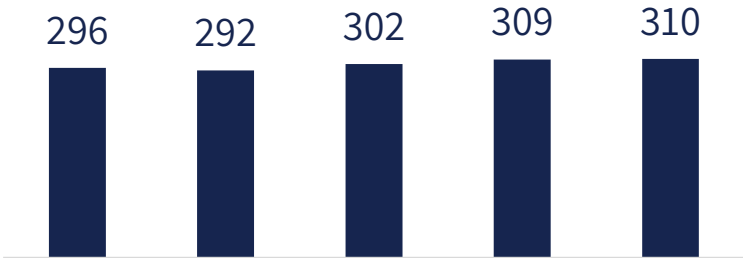
↑ 1.6%



Q3-2024 Q4-2024 Q1-2025 Q2-2025 Q3-2025

Transmission & Data

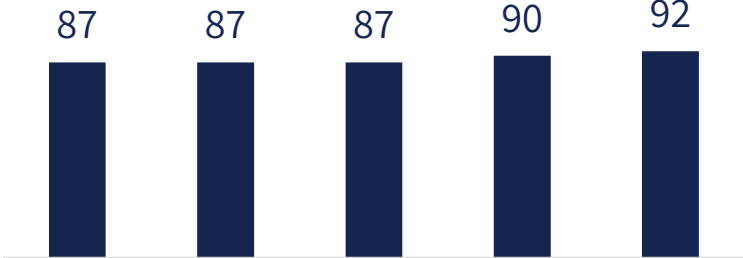
↑ 4.7%



Q3-2024 Q4-2024 Q1-2025 Q2-2025 Q3-2025

Cloud & Digital

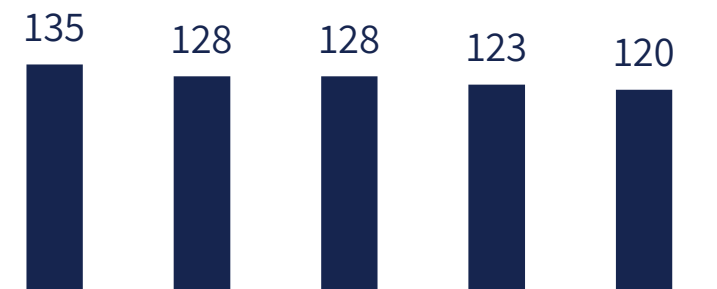
↑ 5.7%



Q3-2024 Q4-2024 Q1-2025 Q2-2025 Q3-2025

Telephony

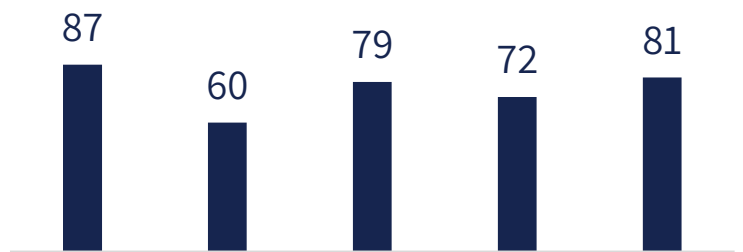
↓ 11.1%



Q3-2024 Q4-2024 Q1-2025 Q2-2025 Q3-2025

Other

↓ 6.9%



Q3-2024 Q4-2024 Q1-2025 Q2-2025 Q3-2025

- Higher revenues from broadband services driven by growth in ARPU and fiber subscribers
- Continued growth in revenues from transmission and data communications, partially offset by lower revenues from ISP companies
- Increased revenues from cloud & digital due to higher revenues from virtual exchanges and cloud services



Pelephone | Q3-2025 Summary



Highest service revenues in a decade, driven by continued growth in postpaid subscribers, including 5G subscriber plans as well as higher roaming revenues



Highest Adj. EBITDA in two years, reaching NIS 202 million, an increase of 5.8%



Highest ARPU in 6 years reaching NIS 48, up 4.3%, a Y-o-Y increase of NIS 2



5G postpaid subscriber plans grew by 33k reaching 1.36 million (59% of postpaid subscribers)⁽¹⁾

Continued growth in 5GMAX subscribers, reaching 115k⁽¹⁾

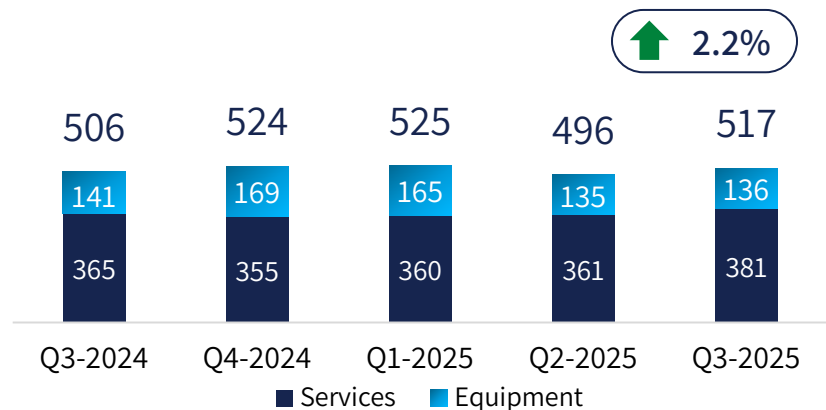


⁽¹⁾ As of reporting date

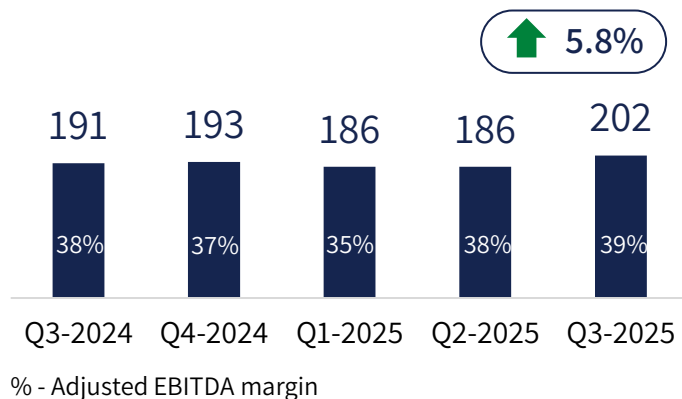


Pelephone | Q3-2025 Key Financial Highlights | NIS million

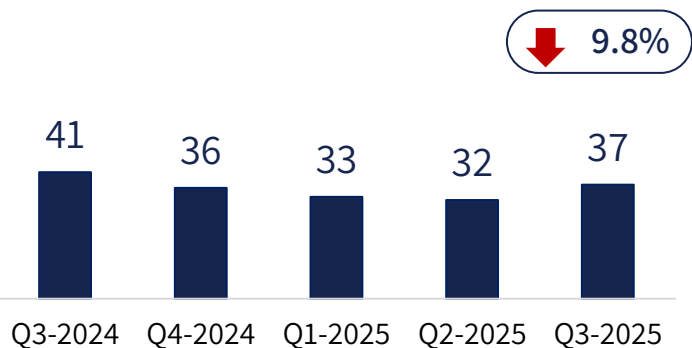
Revenues



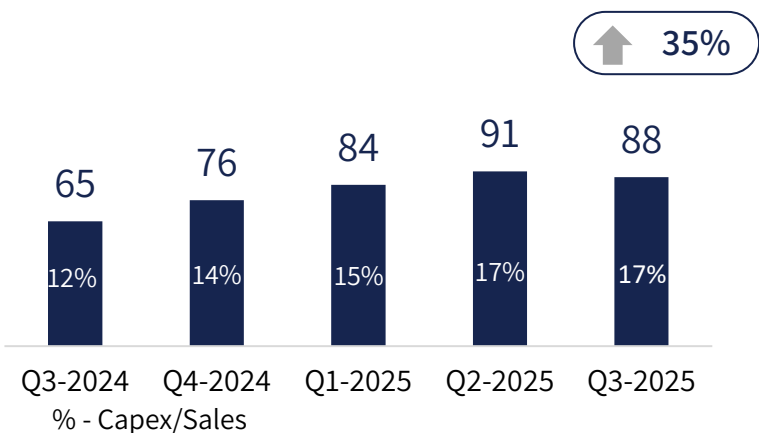
Adjusted EBITDA



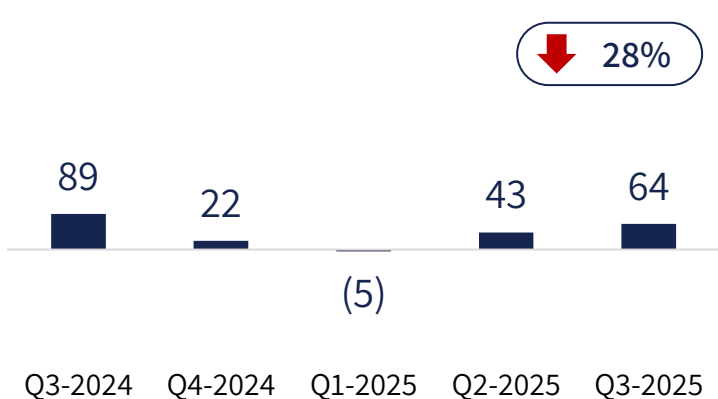
Adjusted Net Profit



CapEx



Free Cash Flow



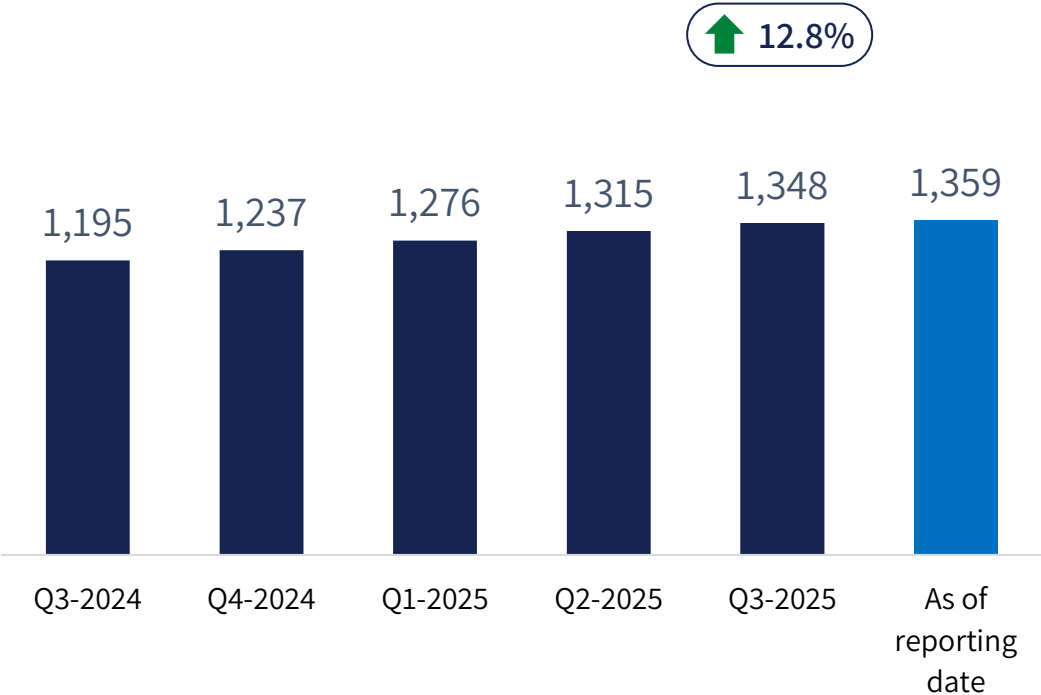
- Highest service revenues in the last decade, driven by continued growth in postpaid subscribers, including 5G subscriber plans as well as higher roaming revenues
- Increase in Adj. EBITDA driven by higher revenues
- Free cash flow was impacted by an increase in CapEx



Pelephone | Growth in Service Revenues and 5G Plans

Postpaid Subscribers on 5G Plans
(Thousands)

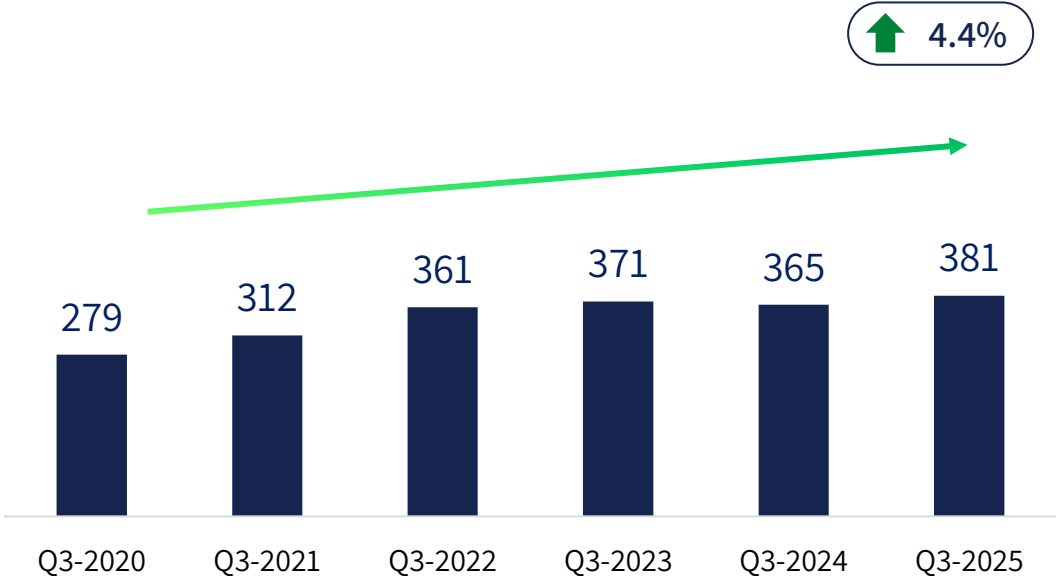
↑ 12.8%



- 5G postpaid subscriber plans were 59% of postpaid subscribers

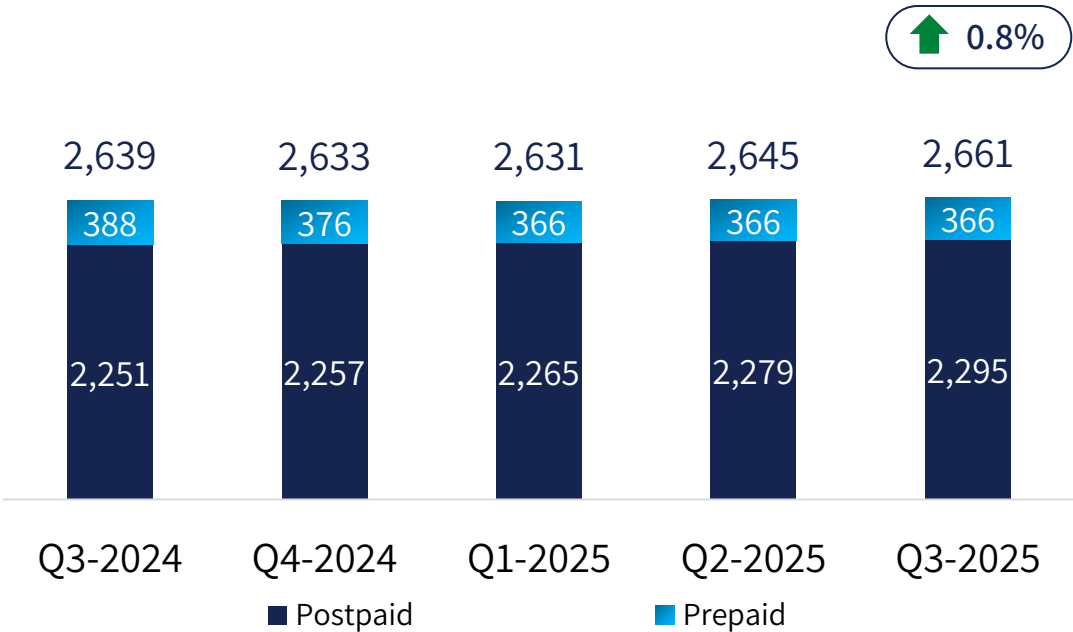
Comparison of Service Revenues in Q3
(NIS million)

↑ 4.4%



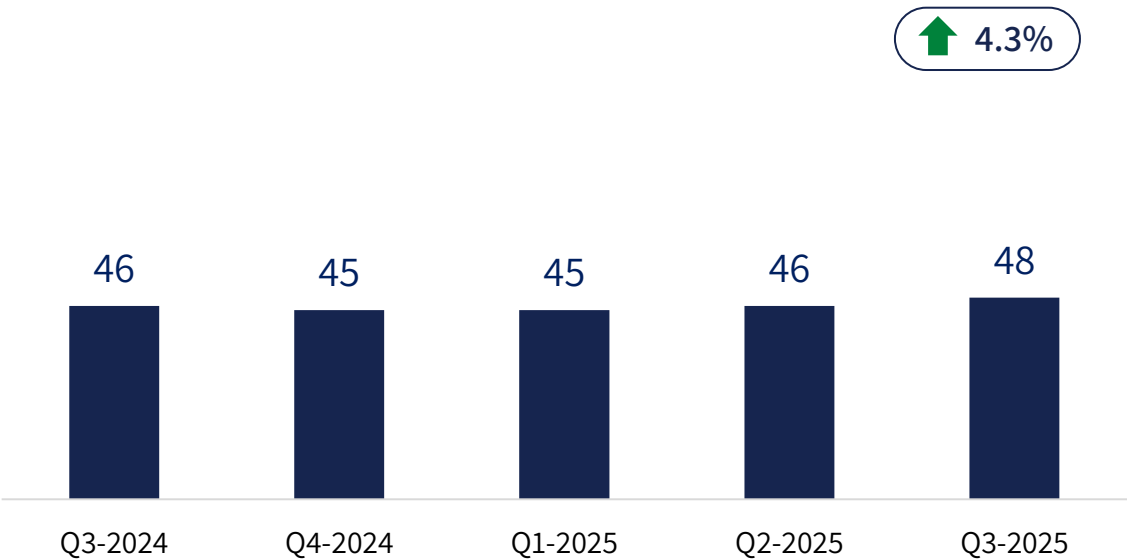
Pelephone | Q3-2025 Key Operational Metrics

Subscribers (Thousands)



- Continued growth in postpaid subscribers, including 5G subscriber plans

ARPU (NIS)



- ARPU rose NIS 2 year-over-year



yes | Q3-2025 Summary



Revenues increased 1.3% to NIS 321 million, due to higher revenues from the TV + fiber bundle



Adj. EBITDA rose 69% to NIS 59 million, driven by an improvement in yes operations (including growth in subscribers and revenues and a reduction in expenses), and the completion of transactions and strategic initiatives



ARPU increased NIS 2 year-over-year to NIS 189, due to higher revenues from the TV + fiber bundle



TV subscribers increased by 3k sequentially, reaching 565k, and representing the highest quarterly increase since Q4-2022



Continued growth in fiber subscribers reaching over 111k⁽¹⁾, 23% of total IP subscribers



Continued migration from satellite to IP with 488k customers⁽¹⁾ watching TV through IP broadcasting (86% of total subscribers)⁽¹⁾



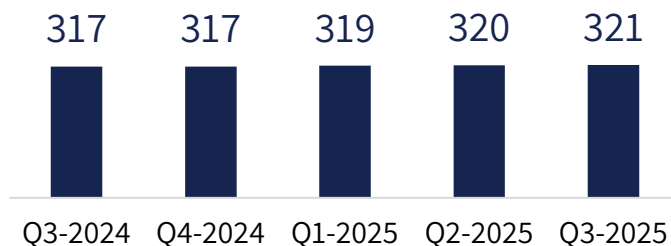
⁽¹⁾ As of reporting date



yes | Q3-2025 Key Financial Highlights | NIS Million

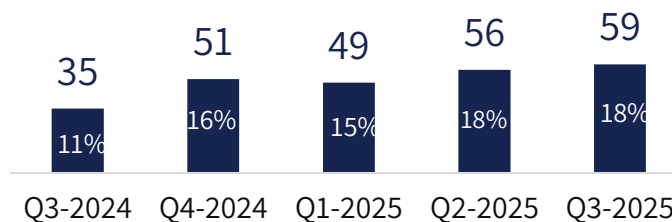
Revenues

↑ 1.3%



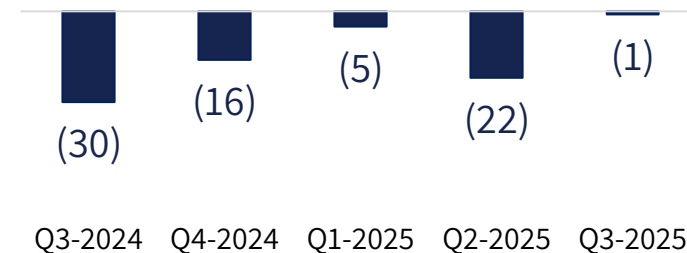
Adjusted EBITDA

↑ 69%



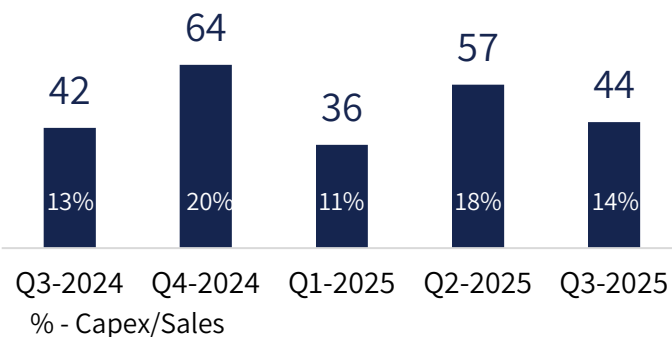
Adjusted Net Loss

↓ 97%



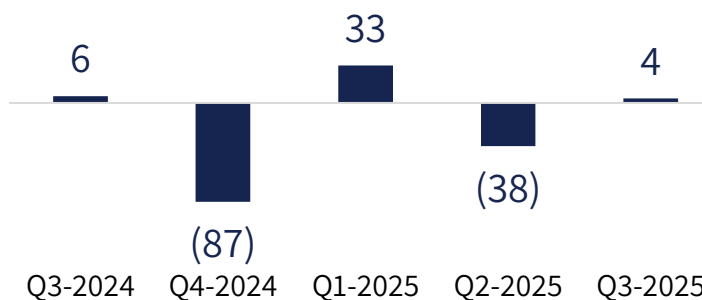
CapEx

↑ 4.8%



Free Cash Flow

↓ 33%



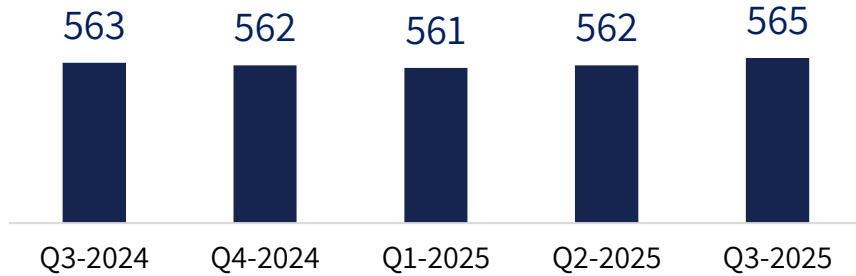
- Revenues rose due to higher revenues from the TV + fiber bundle
- Adj. EBITDA and Adj. Net Profit growth due to higher revenues and streamlining of expenses
- Free cash flow was impacted by timing differences in working capital



yes | Q3-2025 Key Operational Metrics

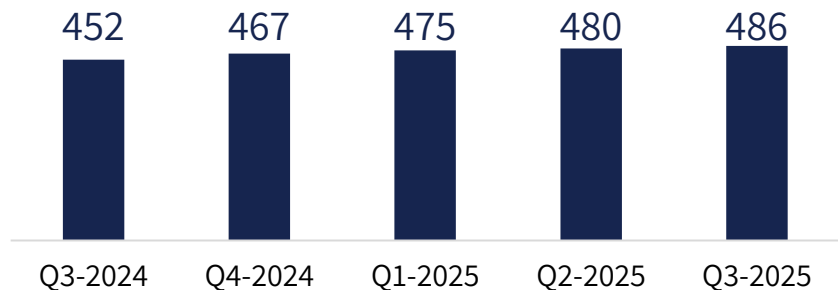
Subscribers (Thousands)

↑ 0.4%



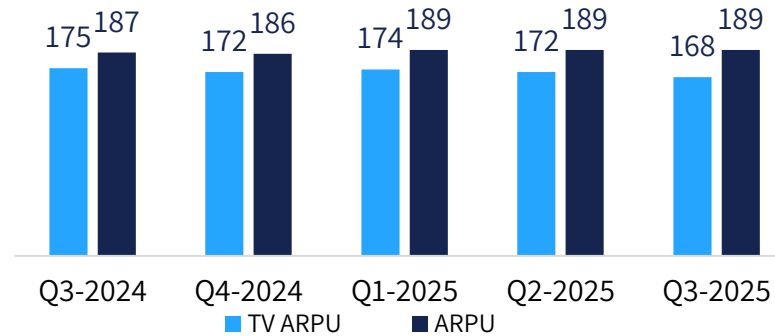
IP Subscribers (Thousands)

↑ 7.5%



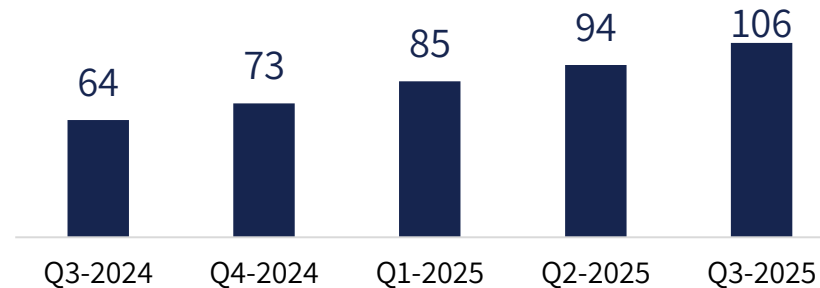
ARPU (NIS)

↑ 1.1%⁽¹⁾



Fiber Subscribers (Thousands)

↑ 66%



- Second consecutive quarter with Q-o-Q increase in total subscribers. Highest quarterly increase since Q4-2022
- ARPU rose NIS 2 y-o-y, due to higher revenues from fiber plans
- Continued growth in IP subscribers to 86% of yes subscribers⁽²⁾
- Continued growth in fiber subscribers

⁽¹⁾ % change in yes ARPU

⁽²⁾ As of reporting date



Bezeq International | Q3-2025 Summary



Continued transition from consumer ISP focus to development of ICT business activity: communications, data centers, integration, public cloud and cyber



Revenues increased 4.1% to NIS 281 million, mainly due to higher revenues from the sale of business equipment as well as cloud activities



Adj. EBITDA increased 2.6% to NIS 40 million. Adj. Net Profit grew 14.3% to NIS 16 million

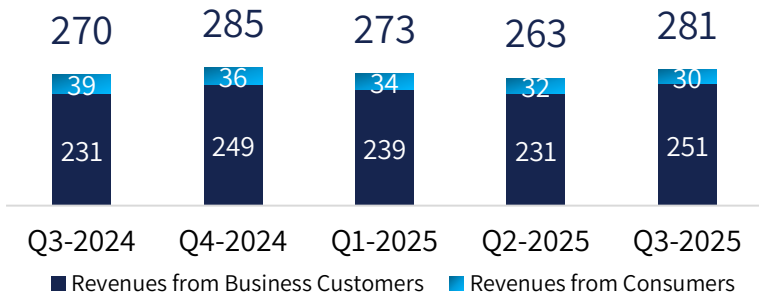


Continued streamlining plan, including implementation of employee retirement agreement for the period 2025 - 2027



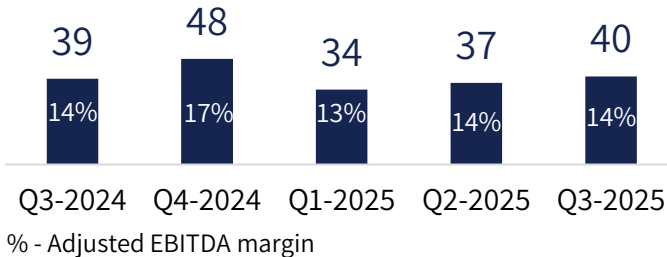
Revenues

↑ 8.7% ⁽¹⁾



Adjusted EBITDA

↑ 2.6%





Thank You!

For more information please visit us
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