

Press release

## MASORANGE has successfully completed the placement and syndication of its entire €6.6 billion joint venture debt package, enhancing its financial terms.

- The company has garnered robust backing from both national and international capital markets, with its offering significantly oversubscribed.
- Despite market volatility, MASORANGE has reduced its funding costs without raising its leverage, setting the stage for possible repricing of its existing debt.

**Madrid, 22nd April 2024.-** The creation of MASORANGE (the 50:50 Joint Venture between Orange and MASMOVIL) on 26th March, the Group successfully finalized the placement and syndication of the entire debt package on Thursday, 18th April enhancing its financial terms and achieving a significant oversubscription despite market volatility.

The Group priced circa €2 billion equivalent of Senior Secured Debt via approximately €1.3 billion equivalent of 7-year EUR and USD Term Loan B (the “TLB”), along with €600m aggregate principal amount of privately placed Senior Secured Notes (the “Notes”) due 2029.

Proceeds from the TLB will be utilized to refinance drawn senior facilities that were part of the €6.6 billion JV debt financing put in place at closing. The TLBs are split as a €800 million EUR facility and \$400m USD facility that reinforces the JV’s access to international capital markets by unlocking a diversified liquidity pool in the medium term across both EUR and USD.

In addition to the TLBs, the JV financing package includes a €600 million capex facility, €192 million pre-placed TLB, and a €4.35 billion TLA that was provided by a large pool of international and regional relationship banks, further complementing the liquidity pool available to MASORANGE.

This significant achievement paves the way for potential repricing of its historical debt.

MASORANGE’s existing debt will remain in place. Overall, the entire debt structure has a comfortable average life of circa 4 years. Post-closing, the financial policy agreed between ORANGE and LORCA JVCO includes a leverage target of 3.5x net debt/EBITDA ratio.

Ludovic Pech, Group CFO, expressed his confidence in MASORANGE's capacity to deliver on its integration path, announcing, *“We are extremely pleased with the outcome of the syndication process, which ended up in a better-than-expected outcome despite the recent volatility in the markets. This demonstrates the very strong support to MASORANGE credit profile from the broader financial markets, including both banks and institutional investors. We are confident in MASORANGE's ability to deliver the announced synergies and quickly deleverage the business. The Group will actively monitor the financial markets for opportunities to lower its average costs of debt, as well as managing the repayment profile.”*

BNP Paribas and BofA Securities were Global Coordinators alongside BBVA, Caixa, Credit Agricole CIB, Credit Suisse, Goldman Sachs, ING, Intesa, JP Morgan, Natixis, Mizuho, Santander, SMBC and Societe Generale as bookrunners.

### **About MASORANGE**

*MASORANGE is the largest telecommunications operator in Spain by number of customers with more than 37M lines between fixed broadband and mobile. In addition, it offers TV, insurance, energy, alarms, consumer finance, health, cybersecurity and cloud services for private customers and companies.*

*MASORANGE has 9 main national brands (Orange, Yoigo, Jazztel, MASMOVIL, Simyo, Pepephone, Lebara, Lyca and Llamaya) and 5 regional brands (Euskaltel, R, Telecable, Guuk and Embou) with which it will cover all the needs of customers in Spain.*

*MASORANGE has more than 29 million marketable homes with its fiber optical offer and covers with its mobile network 4G to 98% of the Spanish population and more than 84% with the new technology 5G, with which it covers more than 2,500 municipalities in Spain.*

*The company has the ambition to be the operator with the most satisfied customers, consolidate itself as a talent engine and lead the economic purpose in Spain, being respectful to people and the planet. In addition, it works on accessibility to technology for all (with a focus on emptied Spain) and the development of products and services that improve the experience of all customers.*

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