



# Partner 5G

Partner Communications  
Company Ltd.

# Investors Presentation

Q1 - 2025

May 13, 2025

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The Company, its business and  
activity in the reporting period

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Cellular segment

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Fixed-line segment

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Consolidated Company

# Contents

# Key Business and Operational Initiatives Over the Past Year

- Focus on cellular value-add packages
- Establishment of a 5G SA Core Network, rollout of 5G technology, and leveraging 5G capabilities to expand the mobile services portfolio
- Realization of IRU fiber agreement > Rights-of-use of Bezeq infrastructure for a long period of use
- Broad accessibility to fiber infrastructure, growth in fiber subscribers and Internet ARPU
- Execution of fiber-based infrastructure projects
- New TV operating model > entry into force of the agreement with YES
- Establishing a retail division that integrates trade and point-of-sale activities > Improving the effectiveness of retail activities
- Continuing the improvement in operational excellence (also through digital transformation)

# Q1-25 | Highlights



**638 thousand customers**  
5G



**446 thousand fiber customers**  
Increase of 11 thousand during the quarter



**Growth in Internet revenue**  
As a Result of Growth in Subscriber Lines and ARPU



**2% growth in Adjusted EBITDA, a 16% increase in net profit and a 533% increase in Adjusted Free Cash Flow** compared to the corresponding quarter



**Re-affirmation of the Company's credit rating**  
iIAA- with a stable outlook

# Q1-25 | Summary of financial results NIS millions

Service revenues  
excluding interconnect fees

**630**

+4%

Equipment Sales  
Revenues

**140**

-12%

Adjusted EBITDA <sup>(1)</sup>

**286**

+2%

Net profit

**64**

+16%

CAPEX <sup>(2)</sup>

**118**

-31%

Adjusted Free Cash Flow

**104**

+533%

The rates of change are compared to the corresponding period

(1) Adjusted EBITDA - EBITDA excluding one-time losses/gains from impairment/appreciation, share-based compensation expenses, and capital gains/losses

(2) CAPEX – Payments (gross) for investment in fixed and intangible assets

# Q1-25 | Summary of operating segments NIS millions



## Cellular segment

Service Revenues  
excluding interconnect fees

**334**

+3%

Adjusted EBITDA <sup>(1)</sup>

**172**

-6%

Operating profit

**76**

-8%



## Fixed-line segment

Service Revenues  
excluding interconnect fees

**318**

+5%

Adjusted EBITDA <sup>(1)</sup>

**114**

+16%

Operating profit

**18**

+500%

The rates of change are compared to the corresponding period

(1) Adjusted EBITDA - EBITDA excluding one-time losses/gains from impairment/appreciation and expenses in respect of the equity compensation plan

# Q1-25 | Summary of operational performance

Post-paid subscribers  
(thousands)

**2,462**

**-2K**

Pre-paid subscribers  
(thousands)

**170**

**-3K**

5G package subscribers  
(thousands)

**638**

**+239K**

Cellular ARPU NIS  
excluding interconnect fees

**42**

**+2%**

Fiber subscribers  
(thousands)

**446**

**+57K**

Internet ARPU NIS

**92**

**+3%**

TV subscribers  
(thousands)

**200**

**-6K**

The change and rates of change are compared to the corresponding period

# The Swords of Iron War

➤ The consequences of the war on the Company's activities so far have mainly manifested in the impairment of revenues from roaming services, as a consequence of the effects of the fighting on domestic demand for international tourism and the provision of flights by airlines, as well as a certain decrease in the sale of end equipment at the start of the war as a result of the disruption to the economy, without material negative effects in other areas of activity

➤ The Company estimates that in the first quarter of 2025, the negative impact on its profit (before tax) from roaming services relative to the period before the start of the war was negligible. In addition, the Company recognized benefits from the National Insurance Institute in the first quarter of 2025, amounting to approx. NIS 4 million, which was derived from the number of reserve army personnel recruited from among the Company's employees

## Dividend distribution

On March 9, 2025, the Company's Board of Directors resolved to distribute a cash dividend to the shareholders of the Company, amounting to approx. NIS 250 million

The dividend was paid on March 25, 2025

The Company has not adopted a dividend distribution policy.

The Company will review, from time to time, the distribution of dividends to its shareholders, taking into consideration, among other things, the provisions of the law and the Company's business situation.

## The CAPEX forecast for 2025

▶ CAPEX<sup>(1)</sup> is expected to be NIS 450-500 million

The Company will report deviations of  $\pm 10\%$  or more from the figure specified above.

The Company's forecast is forward-looking information as defined in the Securities Law.

The forecast is based on the Company's estimates, assumptions and expectations in accordance with the information available in the Company as of this date, which includes the Company's estimates and analysis. These estimates might not materialize or may only partially materialize, including due to the materialization of all or some of the risks detailed in the risk factors in Chapter A of the Periodic Report for 2024.

(1) CAPEX - Payments (gross) for investment in fixed and intangible assets

# Cellular segment

Q1 - 2025

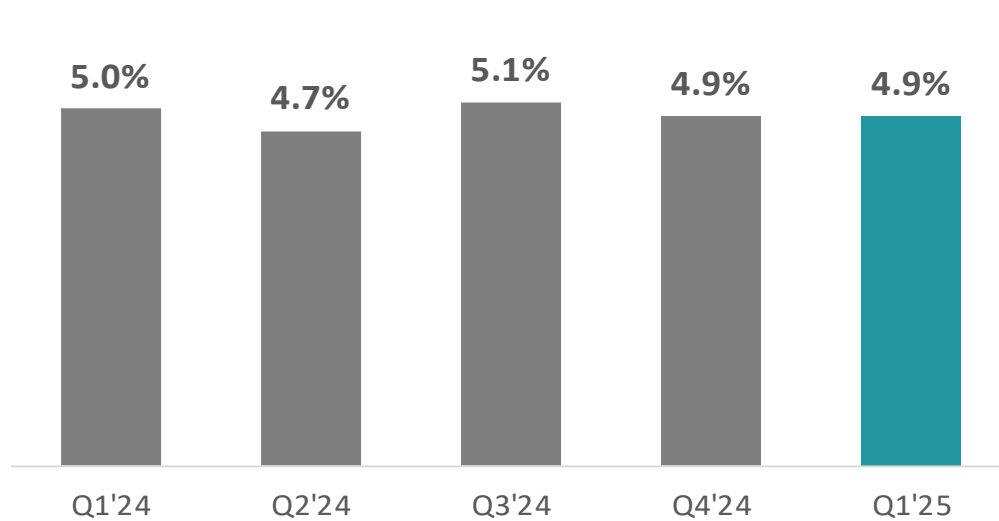


# Cellular segment | Subscribers and churn rate

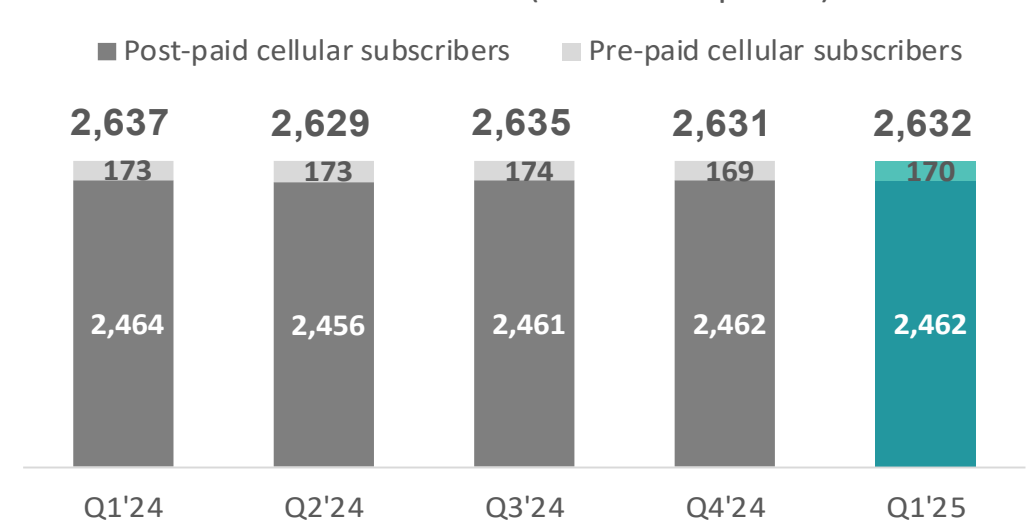
Over **90%** of cellular subscribers are post-paid subscribers

- » The number of cellular subscribers decreased by approx. 5 thousand compared to the end of Q1-24, and by approx. 1 thousand subscribers compared to the end of the previous quarter
- » The decrease compared to the corresponding quarter was due to a decrease in post-paid and pre-paid subscribers
- » The number of paying 5G subscribers amounted to approx. 638 thousand subscribers and increased by approx. 239 thousand subscribers compared to the end of Q1-24 and by approx. 59 thousand subscribers compared to the end of 2024

Churn rate %

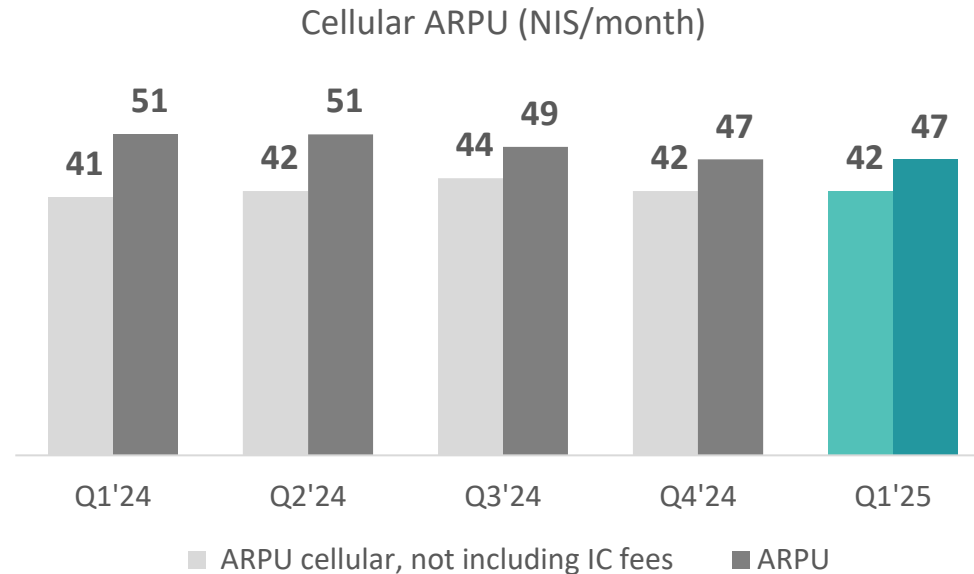


Cellular subscribers (000' end of period)



# Cellular ARPU | NIS/month

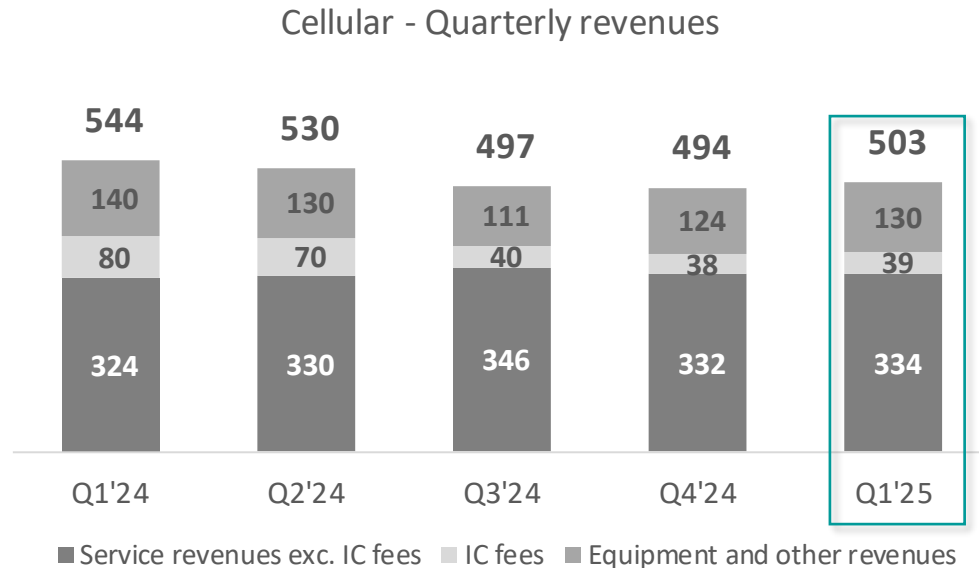
- » The increase in ARPU\* in the quarter compared to the corresponding quarter reflects an increase in revenues from roaming services and in revenues from cellular packages, which was partially offset by the end of recognition of deferred revenues from HOT Mobile



\* Excluding Interconnect Fees

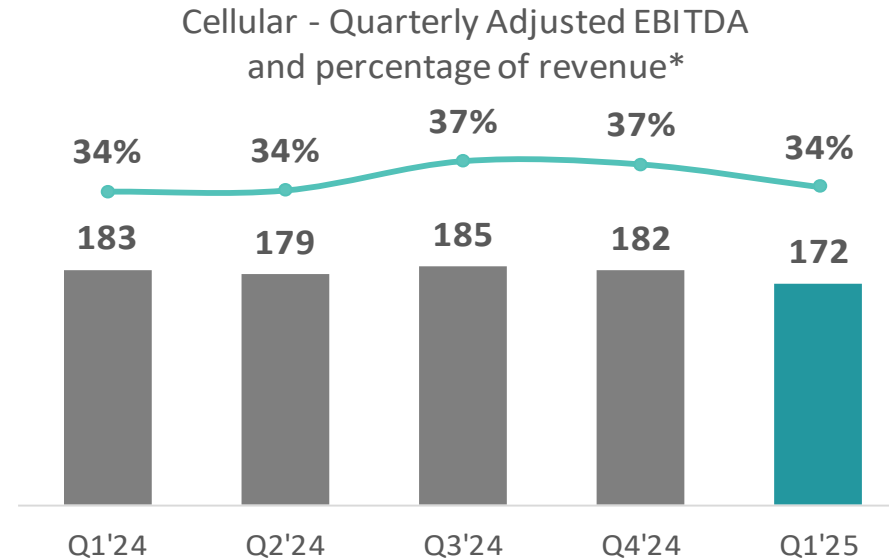
# Cellular segment | Revenues NIS millions

- » The decrease in revenues in the quarter compared to the corresponding quarter was mainly due to a decrease in revenue from interconnect fees (as a result of the reduction in connectivity rates) as well as due to the end of recognition of deferred revenue from HOT Mobile, which were partially offset by an increase in revenues from roaming services and cellular packages



# Cellular segment | Adjusted EBITDA NIS millions

- » The decrease in Adjusted EBITDA for the quarter relative to the corresponding quarter was primarily due to the end of the recognition of deferred revenue from HOT Mobile, an increase in frequency fees expenses and a decrease in gross profit from the sales of equipment and other. The decrease was partially offset by an increase in revenues from roaming services and cellular packages



\* Adjusted EBITDA as a percentage of total revenues excluding interconnect fees was approx. 37% in the quarter compared to approx. 39% in the corresponding quarter

# Fixed-line segment

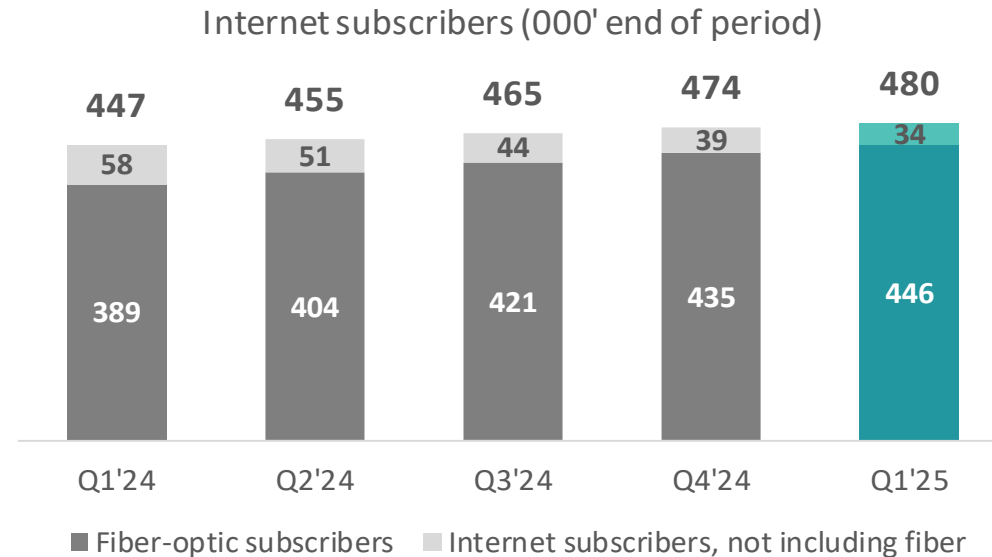
Q1 - 2025



# Fixed-line segment | Internet subscribers

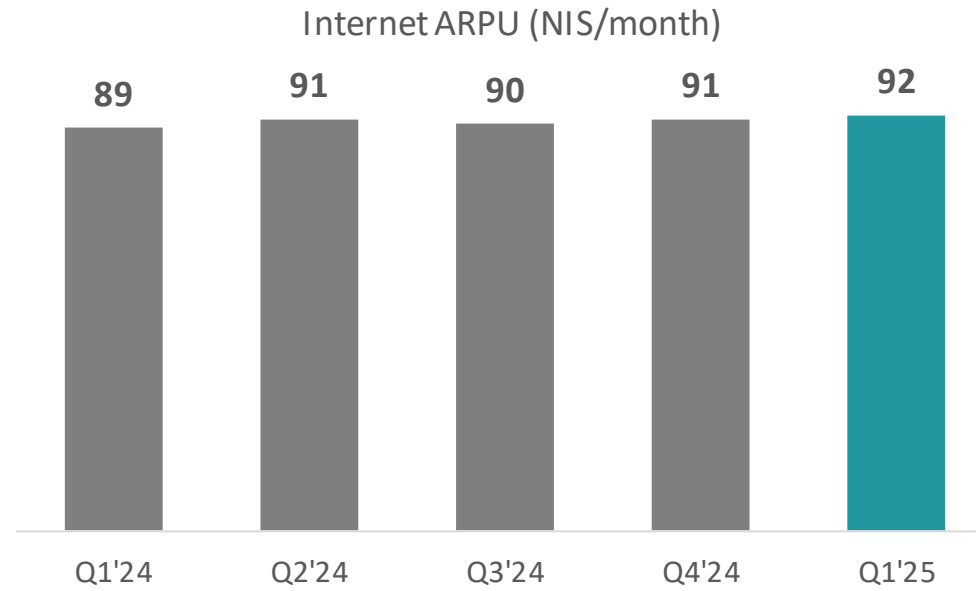
Over **90%** of Internet subscribers are on fiber infrastructure

- » The number of fiber-optic subscribers amounted to approx. 446 thousand subscribers and increased by approx. 57 thousand subscribers compared to the end of the corresponding quarter, and by approx. 11 thousand subscribers compared to the end of 2024



# Internet ARPU | NIS/month

- » The increase in ARPU was primarily due to connecting customers to high speed fiber internet infrastructure packages



# Fixed-line segment |

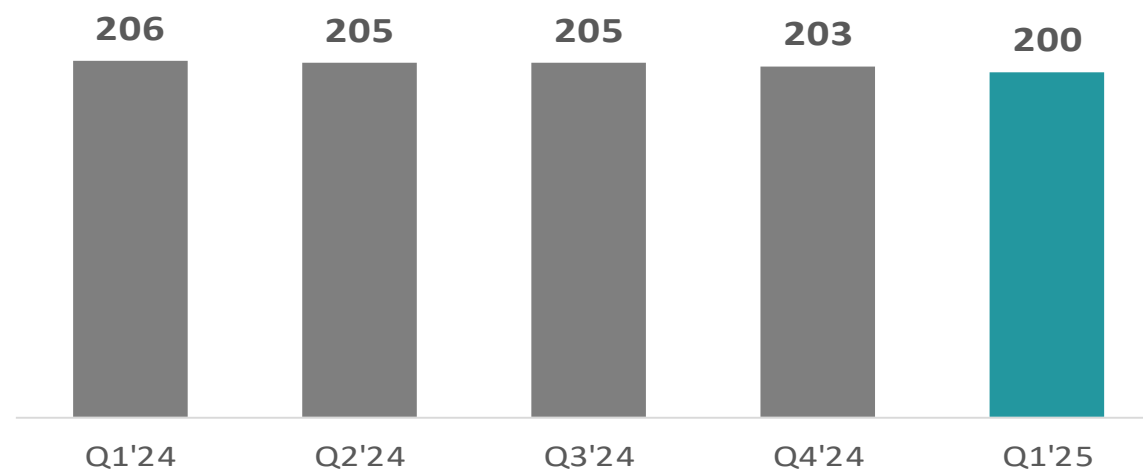
TV subscribers

Approx.

# 90%

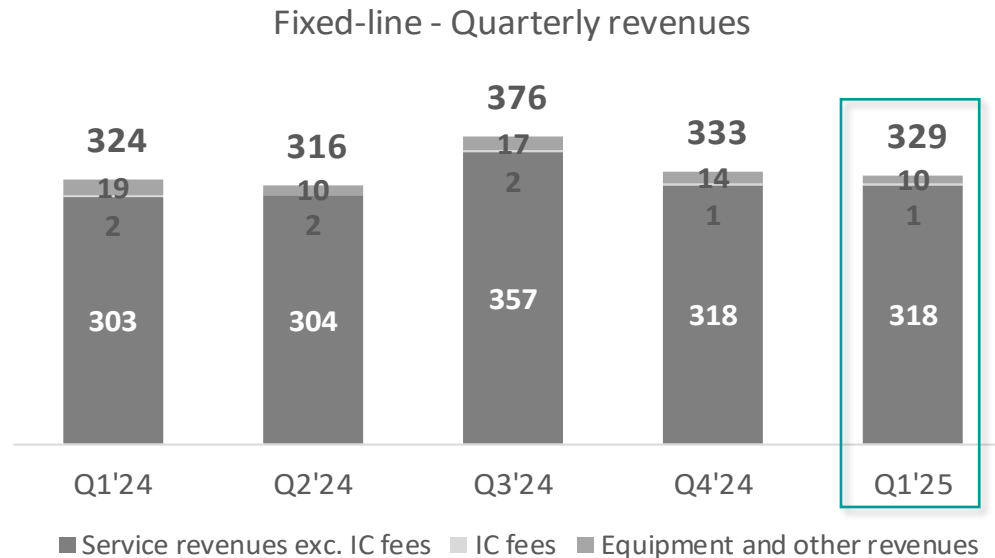
of TV subscribers are in integrated Internet-based packages

TV subscribers (000' end of period)



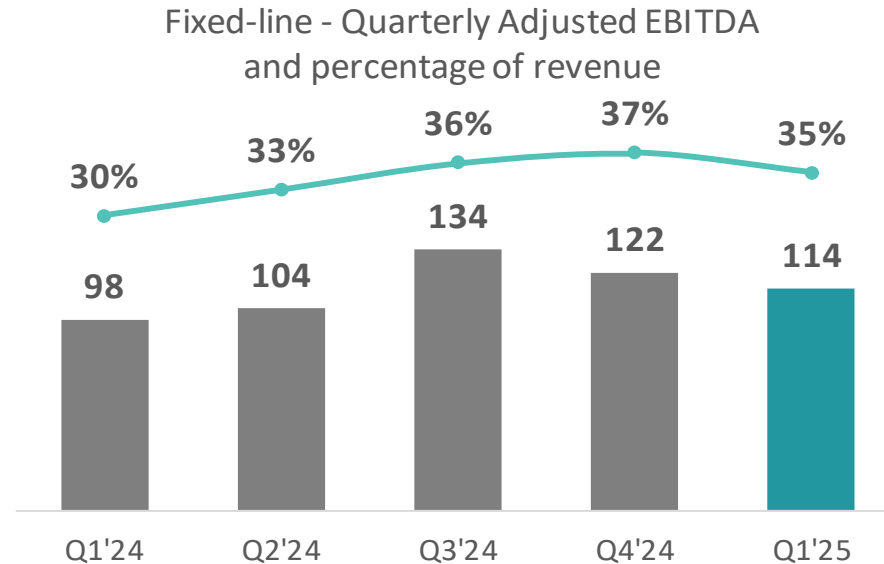
# Fixed-line segment | Revenues NIS millions

- » The increase in revenue compared to the corresponding quarter was mainly due to growth in revenues from Internet and business data service



# Fixed-line segment | Adjusted EBITDA NIS millions

- » The increase in the Adjusted EBITDA in the quarter compared to the corresponding quarter stemmed mainly from growth in revenue from Internet and business data services



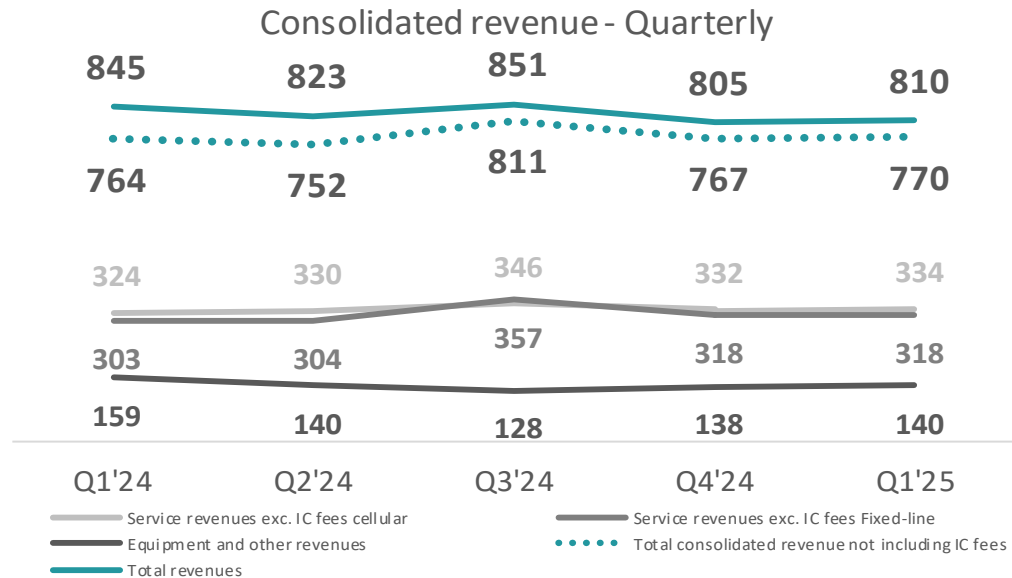
# Consolidated Company

Q1 - 2025



# Consolidated Company | Revenues NIS millions

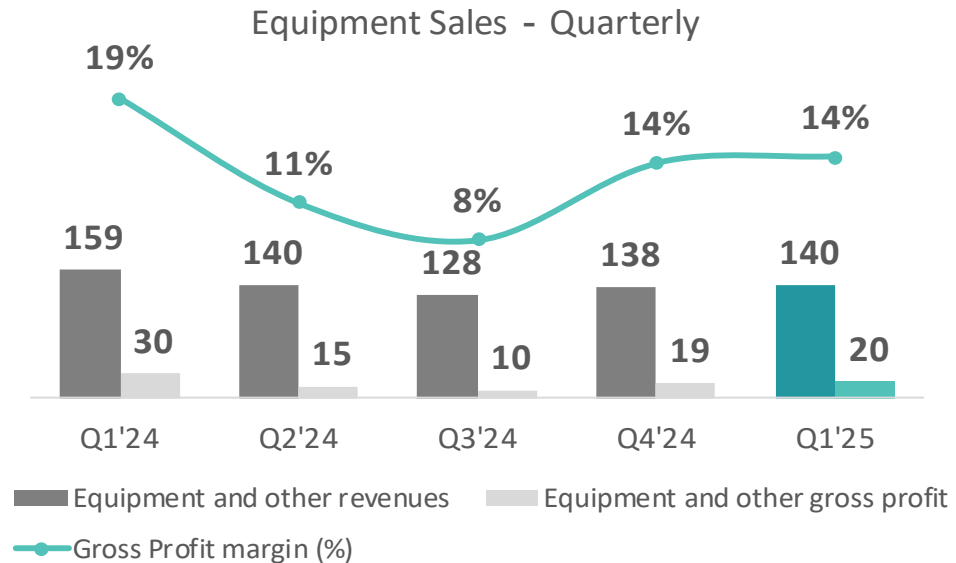
» In the first quarter of 2025, revenues from services, excluding interconnect fees, increased by approx. 4%, mainly due to growth in revenues from fixed-line services and also from an increase in revenues from roaming services compared to the corresponding quarter, which suffered significant damage with the outbreak of the War



\* Total revenue after consolidation adjustments

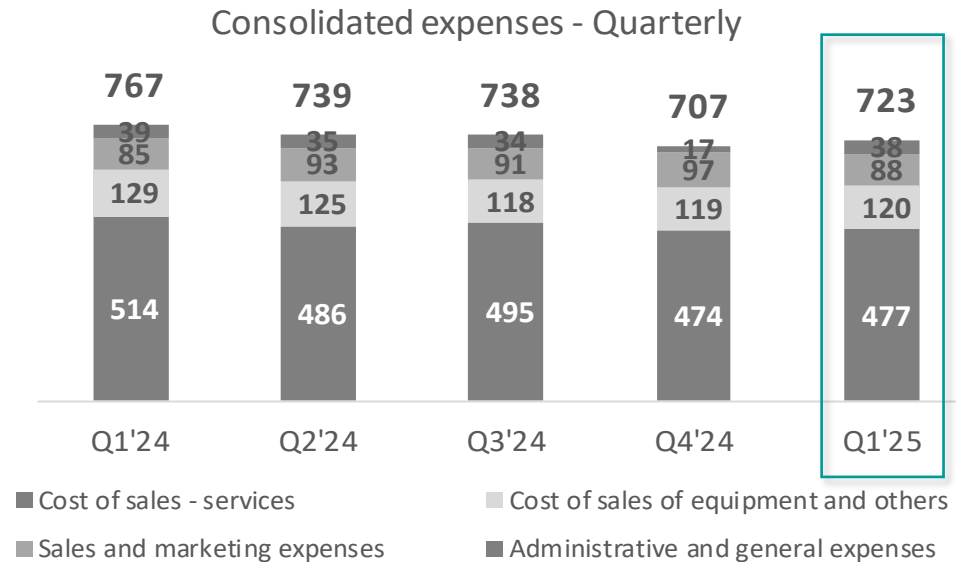
# Consolidated Company | Equipment Sales NIS millions

- » The Company's revenues from the sale of end equipment decreased by approximately 12% compared to the corresponding quarter, the decrease primarily explained by a decrease in cellular equipment sales



# Consolidated Company | Expenses NIS millions

» The decrease in the cost of revenue from services in the quarter was mainly due to a decrease in interconnect fees (mainly as a result of a reduction in connectivity rates). The decrease was partially offset by an increase in frequency fee expenses resulting from the end of the temporary discount period at the end of September 2024

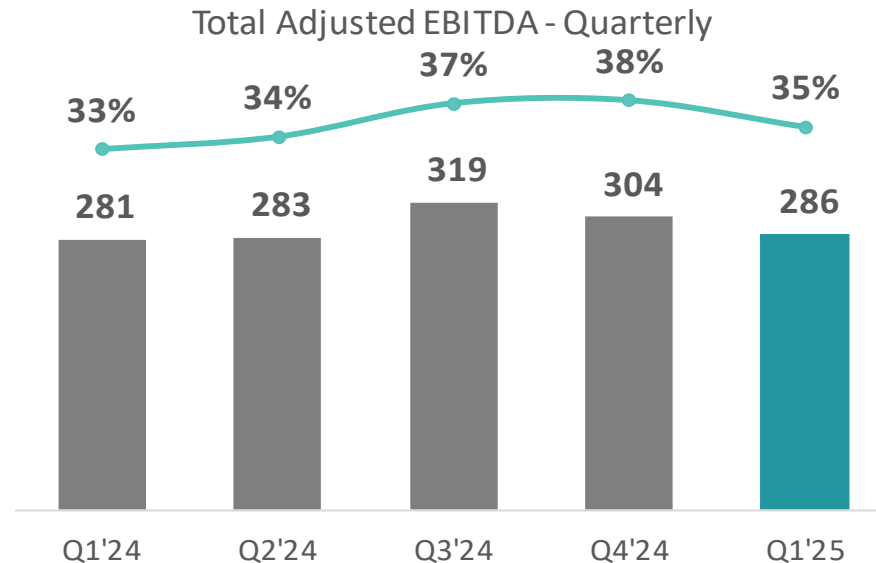


\* Administrative and general expenses - including credit losses (profits)

\*\*Total expenses after consolidation adjustments

# Consolidated Company | Adjusted EBITDA NIS millions

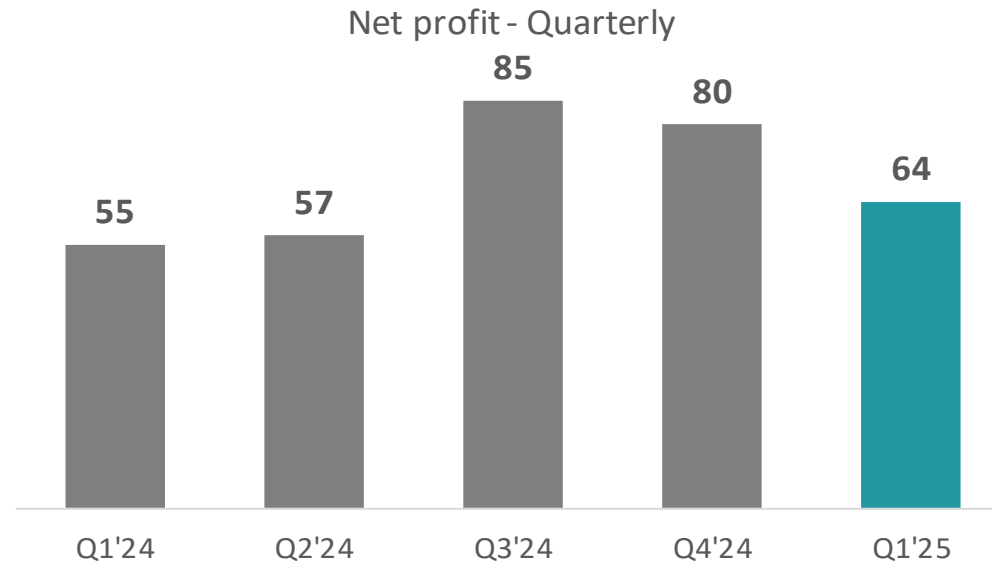
- » The increase in the Company's Adjusted EBITDA in the quarter compared to the corresponding quarter is mainly explained by growth in revenues from fixed-line services, an increase in roaming service revenues, and revenues from mobile packages. These were partially offset by the end of the recognition of deferred revenues from HOT Mobile, an increase in frequency fee expenses, and a decline in gross profit from equipment sales and others



\* Adjusted EBITDA as a percentage of total revenues excluding interconnect fees was approx. 37% in Q1/2025 and in the corresponding quarter

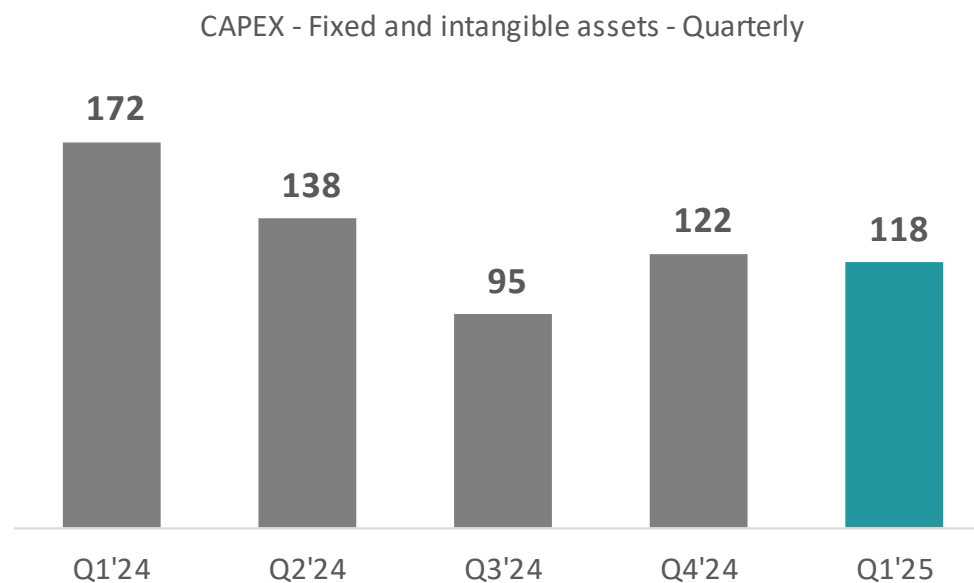
# Consolidated Company | Net profit NIS millions

- » The Company's net profit in the quarter increased by approx. 16% and amounted to approx. NIS 64 million compared to approx. NIS 55 million in the corresponding quarter



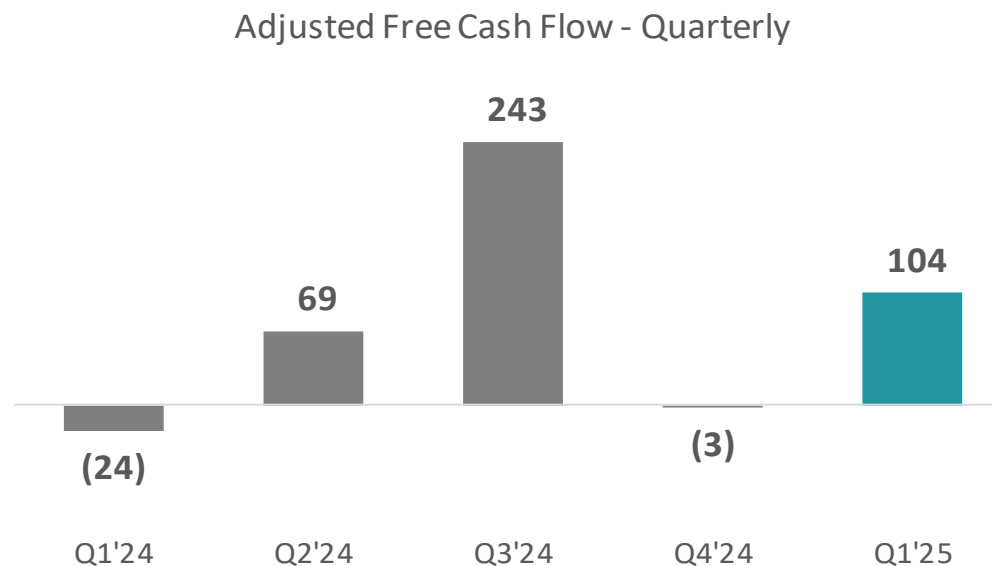
## Consolidated Company | CAPEX NIS millions

- » The cash flow investment in fixed and intangible assets (CAPEX) in the first quarter of 2025 amounted to approx. NIS 118 million compared to approx. NIS 172 million in the corresponding quarter
- » CAPEX is expected to total between NIS 450-500 million for the year 2025



## Consolidated Company | Adjusted Free Cash Flow NIS millions

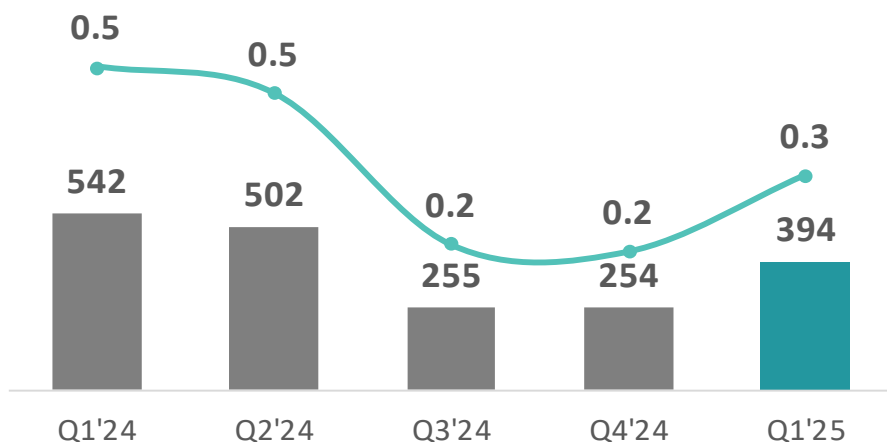
- » The Adjusted Free Cash Flow in the quarter was mainly influenced by a decrease in CAPEX payments and changes in working capital, which were partially offset by an increase in payments for the right-to-use Bezeq's infrastructure



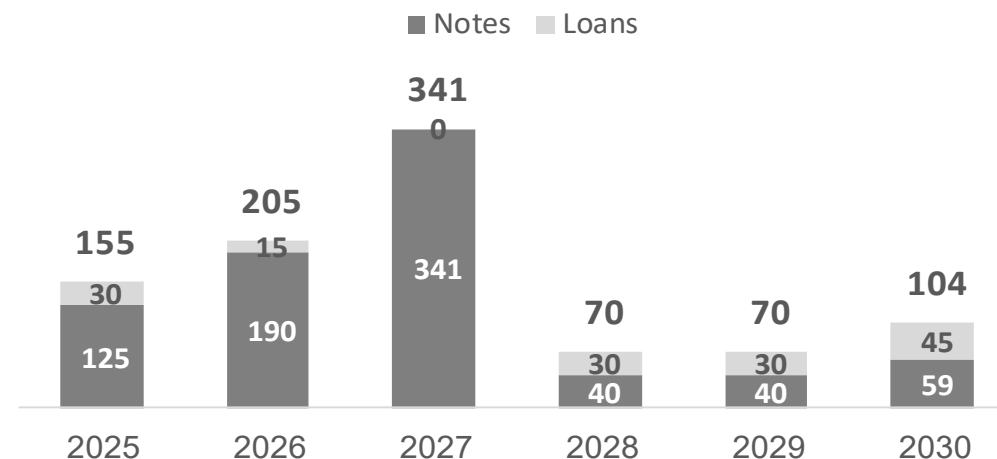
# Consolidated Company | Financial debt and repayment schedule NIS millions

» In May 2025, Standard & Poor's Maalot Ltd. reaffirmed the Company's iIAA- rating with a Stable outlook for the Company and its bond series

Net Financial Debt / Net Financial Debt to Adjusted EBITDA



Repayment Schedule: Notes & Loans a/o Dec 31, 2024



Net financial debt is calculated as the total financial debt less cash and cash equivalents and short-term deposits; net financial debt is not a financial measure according to IFRS standards and may not be comparable to other similarly titled measures for other companies.

**ESG** | Partner in numbers - 2024

**11**

consecutive years  
- Platinum+ ESG  
Maala rating

**50%**

of Partner's senior  
management are  
women

**45%**

of the Company's  
managers are women  
a 1% increase

**3.4%**

employees with  
disabilities who have  
been integrated into  
Partner

**33%**

of all employees  
volunteer. Together they  
contributed approx.  
5,000 volunteer hours.

**Social activities  
with value**

with "Or4Family", the IDF fighter battalions,  
Negba reserve brigade, the security forces,  
the "Krembo Wings" youth movement, the  
"Lev1" organization, "Latet" and more

**48%**

of all Company  
employees are  
women  
a 1% increase

**55%**

of the Company's  
vehicles are hybrid  
and electric  
a 3% increase

**~ NIS 2.0M**

allocated for ESG issues  
plus a cash equivalent donation of approx.  
NIS 500,000

# In Summary

- Deployment of **5G** technology, with a focus on cellular value-add packages
- Growth in **fiber** subscriptions and Internet revenues
- Execution of fiber-based **infrastructure projects**
- Continued improvements in **sales** effectiveness
- Improvements in profitability indicators and growth in the **Free Cash Flow**
- Renewing the distribution of **dividends**
- New operating model in **TV** to launch commercially in 4-6 months

# Let's stay in touch



## Investor Relations

[investors@partner.co.il](mailto:investors@partner.co.il)



## Investor website

[www.partner.co.il/en/Investors-Relations/lobby](http://www.partner.co.il/en/Investors-Relations/lobby)

# Thank You