



**Bezeq Group**

**Q1-2026**

**Investor Presentation**



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## Glossary

- Q1-2026 results in this presentation are shown in comparison to Q1-2025, unless otherwise stated
- Comp EBITDA and Comp Net Profit - After adjusting for other operating expenses/income, net, the overall impact of 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, until and including Q4-2025



# Bezeq Group Q1-2026 Summary



## Growth in core revenues

Core revenues grew 2.6% to over NIS 2 billion, due to growth in Bezeq Fixed-Line, yes and Bezeq International



## Increase in Comp EBITDA and Comp Net Profit

Comp EBITDA increased 1.2% and Comp Net Profit grew 4.2%, mainly driven by higher revenues



## Free cash flow growth

Free cash flow grew 74%, due to a tax refund received in the current quarter, changes in working capital and improved core activities



## Subscriber growth

19% increase in fiber subscribers and 12% growth in 5G subscriber plans



## ARPU growth

4% increase in retail broadband ARPU and 7% in yes ARPU



## Increase in retail broadband subscribers

1.1% increase in Group retail broadband subscribers,<sup>(1)</sup> reaching 35% take-up in fiber infrastructure<sup>(2)</sup>



## Synergistic investment opportunities

MOU signature to establish and operate an international cable system, to create a telecommunications corridor between East and West via Israel

<sup>(1)</sup> Bezeq Fixed-Line retail broadband + yes fiber bundle subscribers

<sup>(2)</sup> As of reporting date



# Technological & Business Roadmap



## Migration to fiber

2020

Launch of fiber project

- + ~3m homes passed
- + 1.04m subscriber take-up (retail + wholesale) ~71% of total broadband subs
- + 35% take-up rate
- + 36% increase in broadband ARPU<sup>(1)</sup> to NIS 139

Today

- + ~43% take-up rate (retail + wholesale)
- + Retail ARPU ~NIS 150

2029 Targets

Strategic infrastructure investments continue to provide a solid foundation for growth



## Transition to 5G

5G Tender Award

- + 1.45m postpaid subscribers (61% of postpaid subscribers)
- + 184k 5GMAX subs
- + 5G sites ~50% of total network
- + ARPU – NIS 44

- + ~85% 5G subscriber plans
- + ~450k 5GMAX subscribers
- + 5G sites ~90% of total network
- + ARPU ~NIS 50

yes.

## Migration to IP

Satellite to IP migration

- + 503k IP subscribers (89%)
- + ~ 137k fiber bundle subs
- + ARPU – NIS 202

- + ARPU ~NIS 215
- + TV + fiber bundle subs - ~50% of total subs
- + Completion of the migration to IP

<sup>(1)</sup> Compared to Q4-2020



# Q1-2026 Summary

2.6% 

Core Revenues

**2.03** NIS billion

~94% of Group Revenues

1.2% 

Comp EBITDA

**928** NIS million

Comp EBITDA margin of 43%

4.2% 

Comp Net Profit

**300** NIS million

74% 

Free Cash Flow

**455** NIS million

2.6% 

Decrease in Net Debt

**4.57** NIS billion

# Q1-2026 Summary (Cont'd)



Fiber Net Adds

**36k** (retail and wholesale)<sup>(1)</sup>

Fiber subscribers

**1.04 million** (retail and wholesale)<sup>(2)</sup>

Retail Broadband ARPU

NIS **139**

3.7% ▲

Homes Passed

**3 million**<sup>(2)</sup>

Take-up rate

**35%**<sup>(2)</sup>



Cellular subscribers

**2.70 million**

2.6% ▲

5G subscriber plans

**1.45 million**<sup>(2)</sup>

61% of postpaid subscribers<sup>(2)</sup> | 184k 5GMAX subscribers<sup>(2)</sup>

Net postpaid subscriber adds<sup>(1)</sup>

**34k**

Cellular ARPU

NIS **44**<sup>(3)</sup>

2.2% ▼

Cellular Service Revenues

NIS **356 million**<sup>(3)</sup>

1.1% ▼



Revenues

NIS **343 million**

7.5% ▲

TV subscribers

**565k**

Unchanged<sup>(1)</sup>

TV subscribers

**89%** IP subscribers<sup>(2)</sup>

TV + fiber bundle subscribers<sup>(2)</sup>

**137k**

yes ARPU

NIS **202**

6.9% ▲

<sup>(1)</sup> Compared to Q4-2025

<sup>(2)</sup> As of reporting date

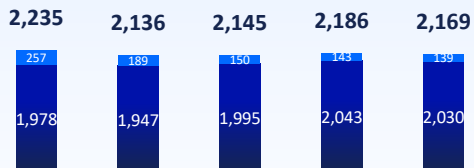
<sup>(3)</sup> Impacted by decrease in roaming revenues due to the war with Iran



# Q1-2026 Key Financial Highlights | NIS million

## Revenues

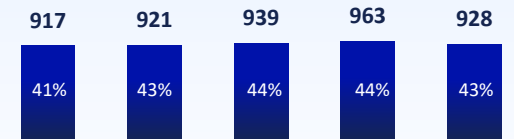
2.6% <sup>(1)</sup> ▲



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

## Comp EBITDA

1.2% ▲



% - Comp EBITDA margin

## Comp Net Profit

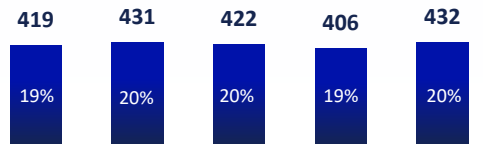
4.2% ▲



Q1-2025 Q2-2025 Q3-2025 Q4-2025 Q1-2026

## CapEx

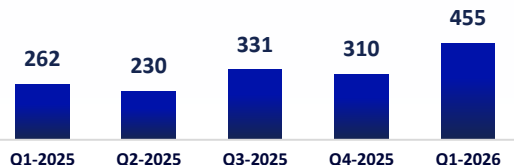
3.1% ▲



% - CapEx/Sales margin

## Free Cash Flow

74% ▲



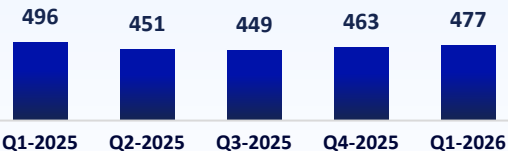
Q1-2025 Q2-2025 Q3-2025 Q4-2025 Q1-2026

- + Growth in core revenues in Bezeq Fixed-Line, yes and Bezeq International
- + Comp EBITDA and Comp Net Profit growth, primarily due to higher revenues
- + Moderate increase in CapEx due to timing differences in yes
- + Free cash flow was positively impacted by a tax refund received in the current quarter, compared to tax assessments paid in the corresponding quarter, changes in working capital and improved core activities

# Q1-2026 Operating Expenses | NIS million

## Salaries

3.8% ▼



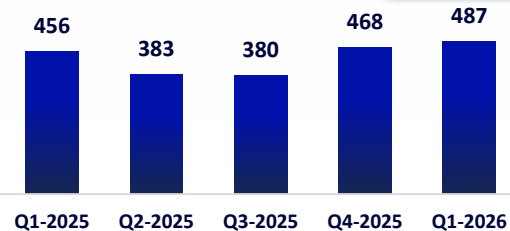
## Operating Expenses

7.4% ▼

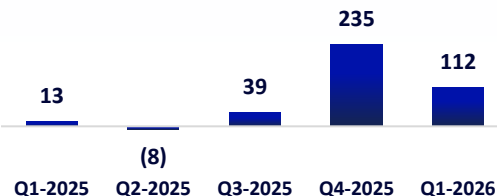


## Depreciation & Amortization

6.8% ▲



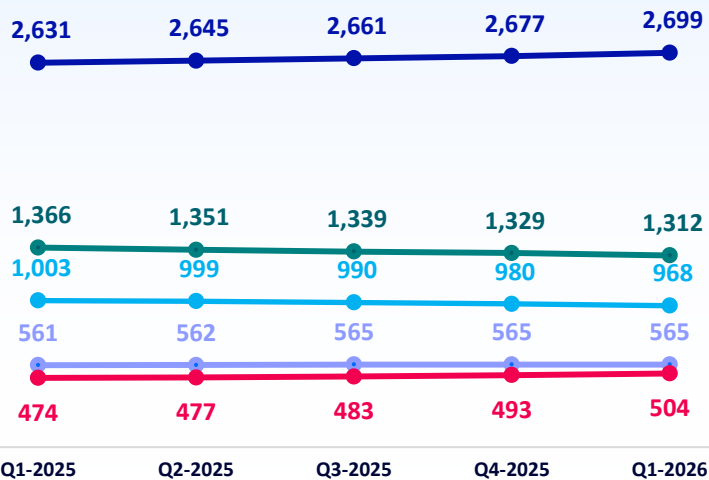
## Other Expenses (Income)



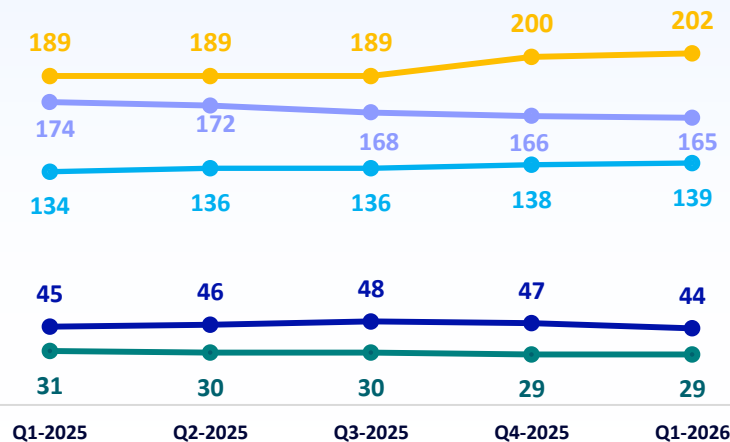
- + Lower salary expenses due to deconsolidation of Bezeq Online
- + Decrease in operating expenses mainly due to lower interconnection fees
- + Other expenses were impacted by higher provisions for employee retirement in Bezeq Fixed-Line and Telephone
- + Higher depreciation expenses due to investments in fiber and 5G infrastructures
- + Depreciation and operating expenses from Q2-2025 through Q4-2025 were impacted by changes in yes' valuation

# Key Quarterly Operational Metrics

Subscribers (end of period, in thousands)



ARPU (NIS)



● Cellular 
 ● Telephony 
 ● Retail broadband 
 ● Wholesale broadband 
 ● yes ARPU 
 ● yes TV



# Financial Debt

Financial Debt (NIS billion)



● Cash and short-term investment   ● Net Debt   — Net Debt/Comp EBITDA AL

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

Net debt/  
Comp EBITDA AL ratio

**1.4x**

Decrease in Net Debt

**Decrease of NIS 122 million,  
or 2.6%, to NIS 4.6 billion**

## Debt ratings



Outlook: **Stable**

Rating: **iIAA**

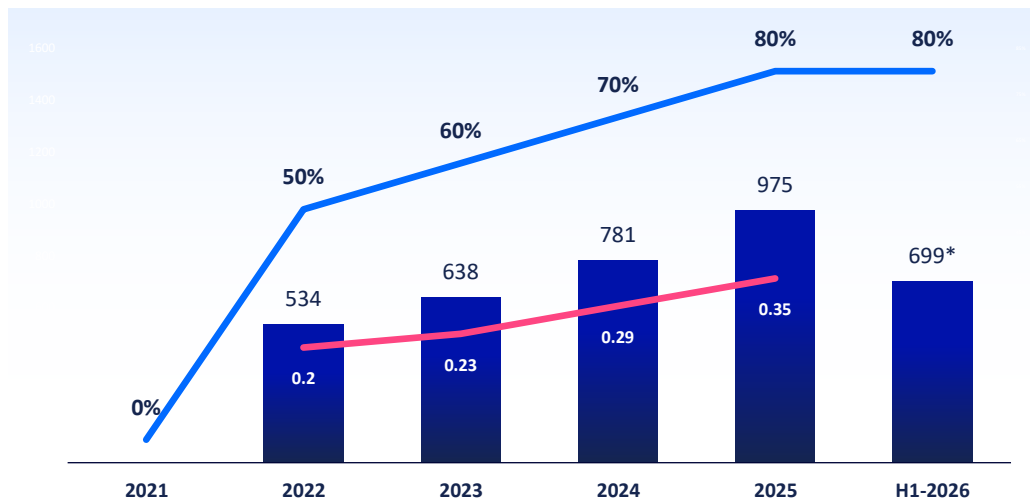


Outlook: **Stable**

Rating: **Aa2.il**

# Shareholder Remuneration

- ✦ On May 14, 2026, a cash dividend of NIS 549 million will be distributed to shareholders, representing 80% of H2-2025 net profits
- ✦ In addition, the Company began its share buyback plan of NIS 150 million to be completed during 2026



\*Including Buyback

■ Dividend distributions (NIS m)    — Payout Ratio    — DPS



# 2026 Outlook (Unchanged)

	2025 Performance	2026 Outlook <sup>(1)</sup>
<b>Comp EBITDA</b>	NIS 3.74 billion	<b>NIS 3.7 – 3.8 billion</b>
<b>Comp Net Profit</b>	NIS 1.09 billion	<b>NIS 1.0 – 1.1 billion</b>
<b>CapEx</b>	NIS 1.68 billion	<b>NIS 1.6 billion</b>

<sup>(1)</sup>The Company will report, as required, deviations of more/less than 10% of the midpoint of the Outlook range, where a range exists

# Financial targets 2029

	2025 Performance	2029 Targets
<b>Core Revenues</b>	NIS 8.0 billion	<b>NIS 8.7 – 8.9 billion</b>
<b>Comp EBITDA<sup>(1)</sup></b>	NIS 3.7 billion	<b>NIS 4.2 – 4.4 billion</b>
<b>Gross CapEx</b>	NIS 1.7 billion	<b>NIS 1.5 – 1.6 billion</b>
<b>Comp EBITDA<sup>(1)</sup> – CapEx</b>	NIS 2.1 billion	<b>NIS 2.65 – 2.85 billion</b>
<b>Comp Net Profit <sup>(1)</sup></b>	NIS 1.1 billion	<b>CAGR of &gt;8%</b>
<b>FCF (After leases)</b>	NIS 1.1 billion	<b>CAGR of &gt;10%</b>
<b>Financial stability</b>	AA Credit Rating	<b>Maintain high credit rating within the AA group</b>
<b>Shareholder remuneration</b>	NIS 975 million <sup>(2)</sup>	<b>Strive to increase shareholder remuneration</b>

<sup>(1)</sup> After adjusting for other operating expenses/income, net, the overall impact of losses/gains from impairment/increase in value of assets and stock-based compensation

<sup>(2)</sup> Total dividend paid in 2025

# Operational targets 2029

	2025 Performance	2029 Targets
Full-time equivalents	8,354	Decrease of ~14%
Fiber deployment	~2.9 homes passed	~3.5 homes passed
Fiber take-up	~34% (retail + wholesale)	~43% (retail + wholesale)
Broadband retail ARPU	~NIS 136	~NIS 150
% fiber subs with speeds above 1 Gbps	~13%	~50%
Telephone ARPU	~NIS 46	~NIS 50
5G subscriber plans	~59% of postpaid subscribers	~85% of postpaid subscribers
5G MAX Subscriber plans	~140k	~450k
5G sites	~50% of total network	~90% of total network
yes ARPU	~NIS 192	~NIS 215
yes TV + fiber subscribers	~21% of total subscribers	~50% of total subscribers

# Q1-2026 Summary



## Core revenue growth

Core revenues grew 2.5% to NIS 997 million, driven by higher revenues from transmission and data communications, broadband and cloud & digital services



## Higher Comp EBITDA and Comp Net Profit

Comp EBITDA and Comp Net Profit each increased 1.5%, mainly driven by higher revenues



## Subscriber growth

Retail fiber subscribers totaled 645k<sup>(1)</sup> with 3.7% growth in retail broadband ARPU to NIS 139



## Continued fiber deployment

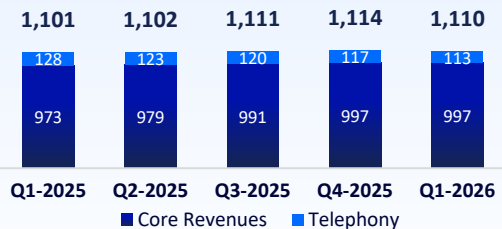
Fiber deployment reached ~3m homes passed<sup>(1)</sup> with total fiber subscribers (retail and wholesale) of 1.04 million<sup>(1)</sup>, or 71% of total broadband subscribers; Take-up reached 35%<sup>(1)</sup>

<sup>(1)</sup> As of reporting date

# Q1-2026 Key Financial Highlights | NIS million

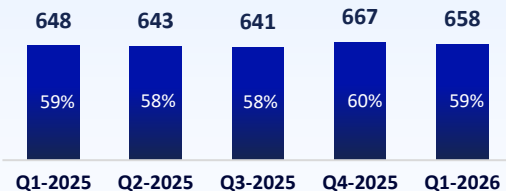
## Revenues

2.5% <sup>(1)</sup> ▲



## Comp EBITDA

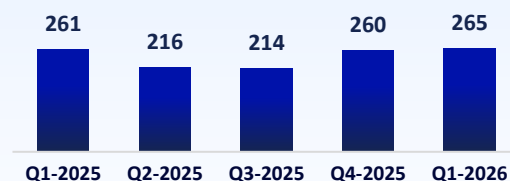
1.5% ▲



% - Comp EBITDA margin

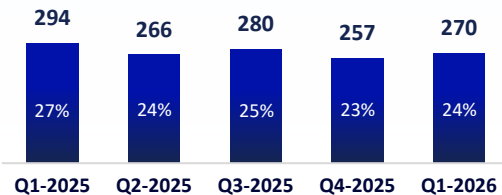
## Comp Net Profit

1.5% ▲



## CapEx

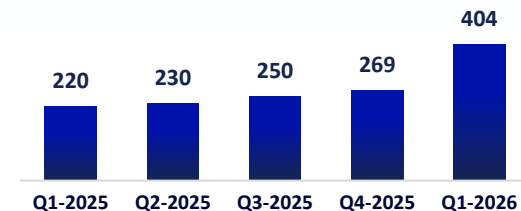
8.2% ▼



% - CapEx/Sales margin

## Free Cash Flow

84% ▲



- + **Core revenue growth** driven by higher revenues from transmission and data communications, broadband and cloud & digital
- + Higher **Comp EBITDA** and **Comp Net Profit** driven by higher revenues, partially mitigated by lower telephony revenues
- + **Free cash flow** was positively impacted by a tax refund received in the current quarter, compared to tax assessments paid in the corresponding quarter, lower CapEx and changes in working capital



# Continued Fiber Deployment and Take-Up Focus

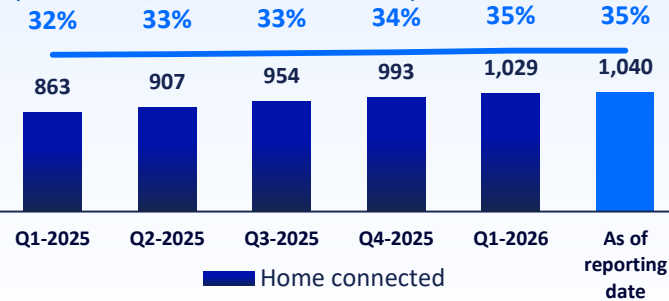
Homes Passed (thousands)

11.3% ▲



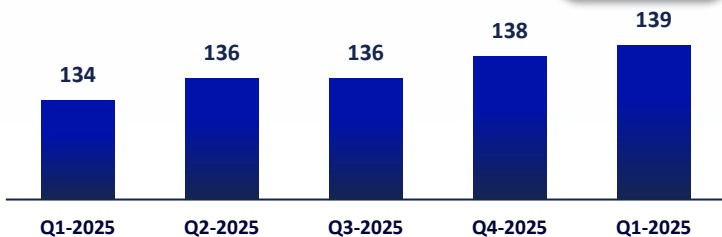
Total Fiber Take-Up (thousands, Retail and Wholesale)

19.2% ▲



Retail Broadband ARPU

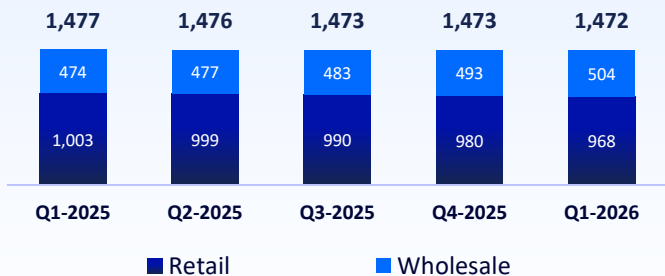
3.7% ▲



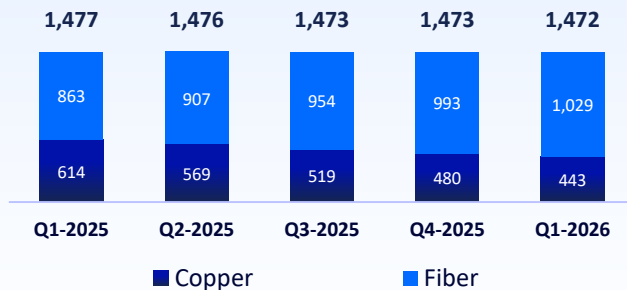
- + Homes passed reached ~3 million
- + Over 1 million active subscribers on Bezeq's fiber network
- + Continued growth in broadband ARPU

# Fiber Take-Up – Retail and Wholesale

Retail vs. Wholesale (Thousands)

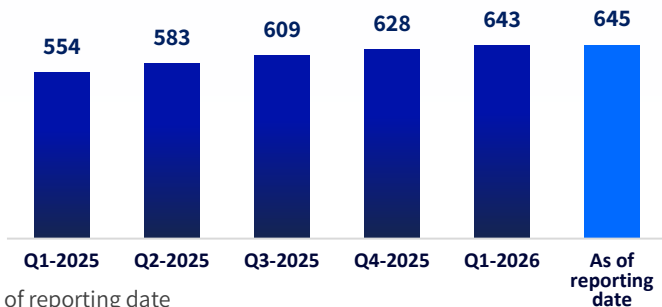


Fiber vs. Copper (Thousands)

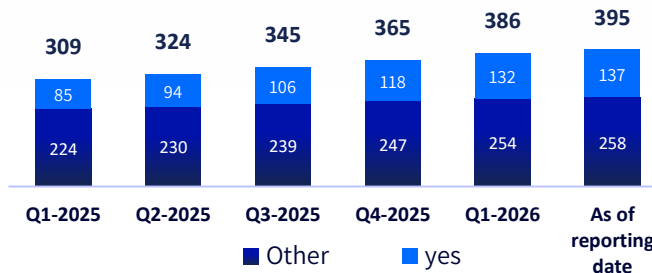


+ Fiber subscribers represent 67%<sup>(1)</sup> of total retail subscribers

Total Retail Fiber Take-Up (Thousands)



Total Wholesale Fiber Take-Up (Thousands)



+ 25% growth in wholesale fiber subscribers year-over-year

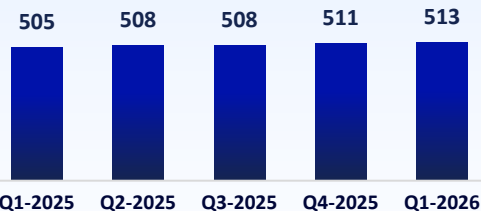
<sup>(1)</sup> As of reporting date



# Q1-2026 Revenues | NIS million

## Broadband Revenues

1.6% ▲



## Transmission & Data

3.6% ▲



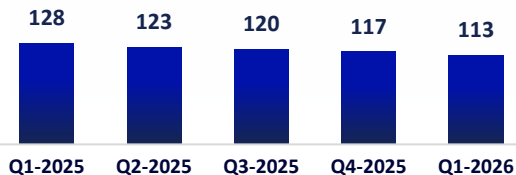
## Cloud & Digital

8.0% ▲



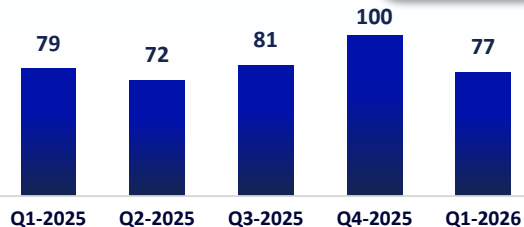
## Telephony

12% ▼



## Other

2.5% ▼



- + **Broadband revenues increased** due to higher retail broadband ARPU and an increase in wholesale revenues
- + **Transmission & data growth** driven by higher revenues from metro transmission services
- + **Cloud & digital growth** driven by higher revenues from virtual exchanges and cloud services
- + **Moderating decrease in telephony revenues**



# Pelephone Q1-2026 Summary



## Impact of war on key financial metrics

Revenues, Comp EBITDA and Comp Net Profit were impacted by a decrease in roaming revenues due to the war with Iran. After adjusting for the war impact, revenues from services would have increased by approximately 2%



## Increase in subscribers

- **Postpaid subscribers** grew by 34k – highest quarterly growth since Q2-2018
- **5G postpaid subscriber** plans grew by 50k reaching 1.45m<sup>(1)</sup> (61%<sup>(1)</sup> of postpaid subscribers)
- **5G MAX** subscriber plans continued to grow reaching 184k<sup>(1)</sup> Pelephone expects to reach ~300k 5GMAX subscribers by the end of 2026



## Increase in free cash flow

Free cash flow totaled NIS 15 million, compared to negative free cash flow of NIS 5 million in Q1-2025



## Decrease in ARPU due to impact of war

ARPU in Q1-2026 was NIS 44, a Y-o-Y decrease of 2.2%, or NIS 1



## Continued streamlining

Employee agreement to retire 150 employees in next three years

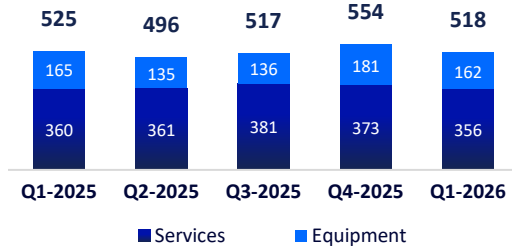
<sup>(1)</sup> As of reporting date



# Q1-2026 Key Financial Highlights | NIS million

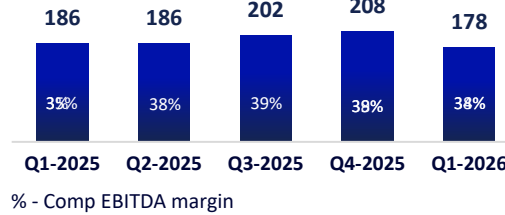
## Revenues

1.3% ▼



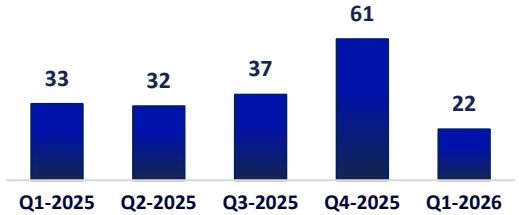
## Comp EBITDA

4.3% ▼



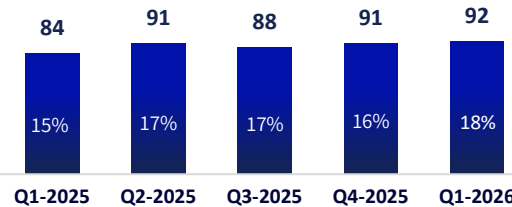
## Comp Net Profit

33% ▼

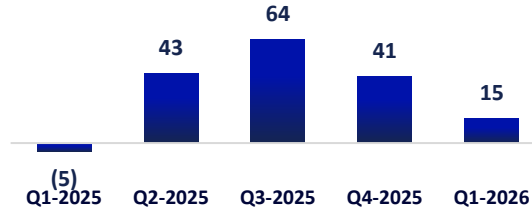


## CapEx

9.5% ▲



## Free Cash Flow



- + Revenues, Comp EBITDA and Comp Net Profit were impacted by a decrease in roaming revenues due to the war with Iran
- + Free cash flow was positively impacted by changes in working capital

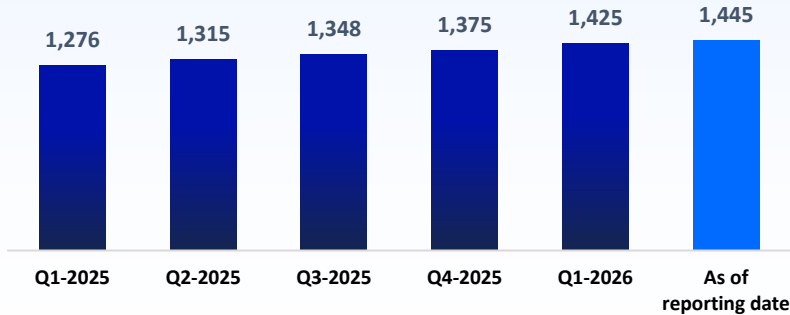
% - CapEx/Sales margin



# Growth in Cellular Subscribers and 5G Plans

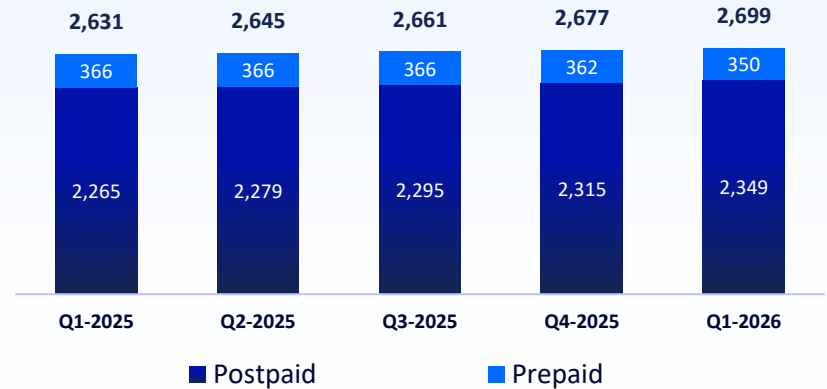
Postpaid Subscribers on 5G Plans  
(Thousands)

12% ▲



Subscribers (Thousands)

2.6% ▲



⊕ 5G postpaid subscriber plans were 61% of postpaid subscribers today

⊕ Postpaid subscribers grew by 34k – the highest quarterly growth since Q2-2018



# Service Revenues and ARPU

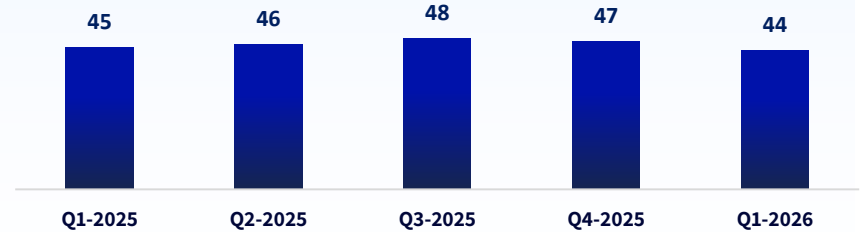
1.1% ▼

2.2% ▼

Comparison of Service Revenues in Q1  
(Thousands)



ARPU (NIS)



⊕ Service revenues and ARPU were impacted by lower roaming revenues due to the war with Iran

# yes.

## Q1-2026 Summary



### Revenue growth

Revenues grew 7.5% to NIS 343m, recording the highest quarterly revenues since Q1-2019, driven by higher revenues from the TV + Bezeq fiber bundle as well as revenues from the Partner transaction



### Comp EBITDA growth

Comp EBITDA was positively impacted by higher revenues and lower expenses



### Comp Net Profit

Transition to net profit after many quarters of net loss



### Record ARPU

ARPU grew NIS 13 year-over-year to NIS 202 driven by an increase in TV + fiber subscribers and revenues from the Partner transaction



### Subscriber growth

- + Continued growth in fiber subscribers reaching 137k<sup>(1)</sup>, 24%<sup>(1)</sup> of total subscribers
- + TV subscribers were 565k, an increase of 4k year-over-year
- + Continued migration from satellite to IP with 503k<sup>(1)</sup> IP customers (89% of total subscribers)<sup>(1)</sup>

<sup>(1)</sup> As of reporting date



yes.

# Q1-2026 Key Financial Highlights | NIS million

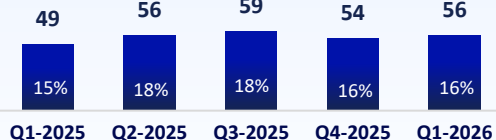
## Revenues

7.5% ▲



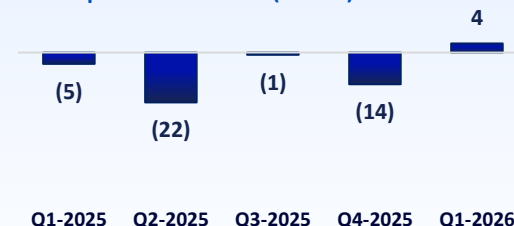
## Comp EBITDA

14% ▲



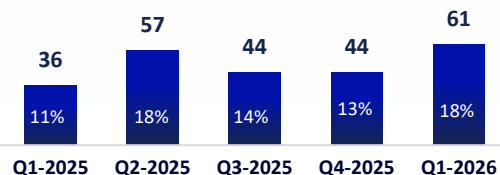
% - Comp EBITDA margin

## Comp Net Profit (Loss)



## CapEx

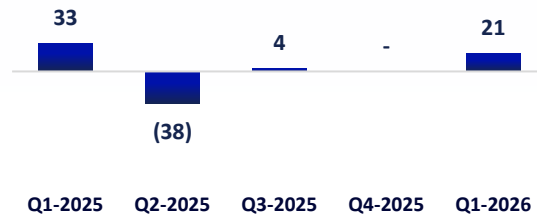
69% ▲



% - CapEx/Sales margin

## Free Cash Flow

36% ▼



- + **Revenue** growth driven by higher revenues from the TV + Bezeq fiber bundle as well as revenues from the Partner transaction
- + **Comp EBITDA** and **Comp Net Profit** growth due to an increase in subscribers and revenues resulting from the completion of transactions and strategic initiatives, as well as the streamlining of expenses
- + **Free cash flow** was impacted by timing differences in CapEx payments, partially offset by higher profits

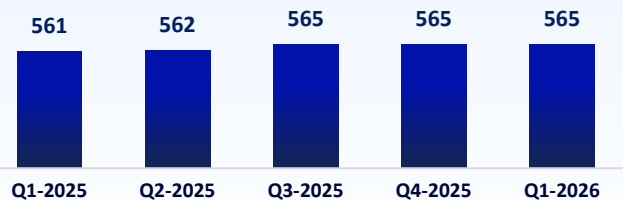


yes.

# Key Operational Metrics

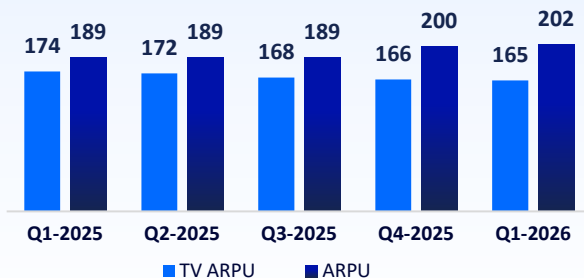
### Subscribers (Thousands)

0.7% ▲



### ARPU (NIS)

6.9%<sup>(1)</sup> ▲

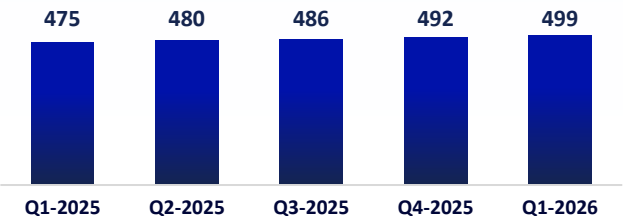


+ 4k increase in TV subscribers year-over-year

+ NIS 13 growth in ARPU driven by increase in TV + fiber subscribers and revenues from the Partner transaction

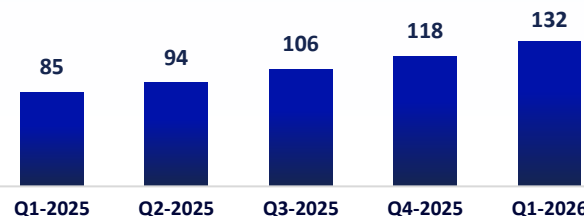
### IP Subscribers (Thousands)

5.1% ▲



### Fiber Subscribers (Thousands)

55% ▲



+ Continued growth in IP subscribers to 89% of yes subscribers<sup>(2)</sup>

+ Record growth in fiber subscribers

<sup>(1)</sup> % change in yes ARPU

<sup>(2)</sup> As of reporting date



# Q1-2026 Summary



## Revenue growth

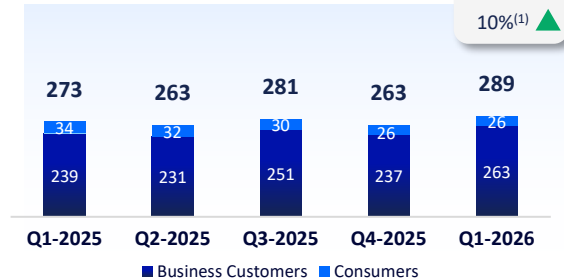
Revenues from business customers grew 10% to NIS 263m, due to higher revenues from sales of equipment and cloud activities



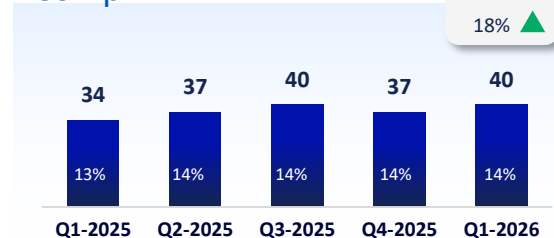
## Growth in Comp EBITDA and Comp Net Profit

Comp EBITDA grew 18% and Comp Net Profit totaled NIS 8m compared to a loss of NIS 2m in the corresponding quarter, primarily due to the growth in revenues

### Revenues



### Comp EBITDA



% - Comp EBITDA margin

<sup>(1)</sup> % change in revenues from business customers



**Thank You!**

**For more information please visit us  
[ir.bezeq.co.il](http://ir.bezeq.co.il)**

