

10<sup>th</sup> December 2025

## Telecom Argentina S.A.

It is the country's largest quad-play operator (cable TV, internet, mobile and fixed telephony) through its merger with the local subsidiary of Cablevisión Holding S.A. In February 2025, Telecom Argentina (TEO) acquired 100% of Telefónica Móviles Argentina (TMA) for USD 1.245 million, thus controlling approximately 60% of the Argentine telecommunications market. Although the transaction is under review by the state regulatory agencies (CNDC and ENACOM<sup>1</sup>), since March 2025 Telecom Argentina has consolidated its income statements as a single company.

After the 2018 merger, CVH became TEO's controlling shareholder, holding 28.16% of the capital. The second-largest shareholder was Fintech Telecom LLC, with 20.83%. In 2019, both parties created a Voting Trust, contributing 21.84% of TEO's shares. The agreement granted CVH decision-making power, allowing it to control more than 50% of the outstanding shares. The remaining 29.16% is publicly traded: 11.42% is held by FGS-ANSES, and the rest is traded on BYMA and NYSE.

### Latest Results

The company earns 81% of its revenue in local currency, and TEO reports its financial statements in that currency. Due to distortions caused by domestic macroeconomic variables and in order to achieve a clearer assessment of its performance, we will analyze the company's financial statements in U.S. dollars using the official exchange rate at each period-end.

The latest financial results correspond to 9M25 which, as mentioned above, include the contribution of seven months of TMA's results, absent from the comparative period 9M24. With that in mind, consolidated revenue for 9M25 reached USD 4.114 million, 40% higher than in

the same period of 2024. For Telecom alone, service sales contracted 2.3% in dollars.

Meanwhile, consolidated operating costs increased 37% y/y, of which USD 966 million correspond to the consolidation of TMA. As a result, EBITDA reached USD 1.256 million, with a 30.5% margin. After consolidation, the merger provides Telecom with higher revenue than costs. Excluding this effect, Telecom's costs measured in USD contracted 15.7%, while EBITDA increased 4% compared to 9M24.

The consolidated net result shows a loss due to foreign exchange differences arising from lower inflation (22%) compared with a greater depreciation of the Argentine peso against the U.S. dollar (33.7%), unlike 9M24 when inflation (101.6%) exceeded peso depreciation (20%).

Telecom Arg. SA (USD M)	9M25	9M24	Var (%)	9M23	Var (%)
Revenue	4.114	2.938	40%	2.945	40%
Operating Costs	2.858	2.091	37%	2.095	36%
EBITDA	1.256	847	48%	850	48%
EBITDA Margin	30,5%	28,8%	169 bps	28,8%	167 bps
Net Income	-199	980	-	243	-

Source: Sekoia Research

### Results by Segment

The 71% of the company's revenue is explained by the sale of mobile services and fixed internet, while the remaining 29% comes from cable TV, fixed telephony, fintech services, and equipment sales. In 9M25, 49% of the company's revenue came from mobile services in Argentina and Paraguay, 9% more than in 9M24. Revenue from this segment reached USD 2.002 million, 68% higher than in the same period of the previous year. Telecom recorded 23 million subscribers and TMA 19.1 million. Excluding the effect of consolidating TMA, the 10.6% growth in Telecom's mobile service revenue was mainly driven by an increase in average revenue per user (ARPU).

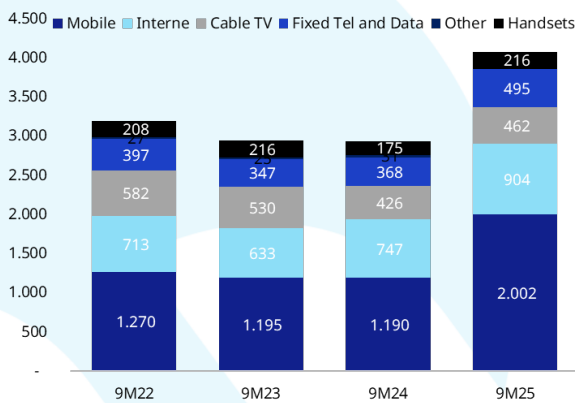
Consolidated Internet services generated USD 904 million in 9M25, representing 22% of revenue and a 21% y/y increase. Telecom

<sup>1</sup> National Commission for the Defence of Competition (CNDC) and the National Communications Agency (ENACOM).

reached 4.1 million subscribers (+2.5%) and TMA 1.6 million (+6%). Internet ARPU showed real improvements: Telecom +1.9% and TMA +10.3% compared with 9M24.

Meanwhile, revenue from cable TV, fixed telephony, fintech services, and equipment sales reached USD 1.209 million, 21% more than in 9M24. Although the increase is mainly due to consolidation, the cable TV segment recovered prices in real terms, in addition to growth in fintech services fueled by higher usage of the digital wallet, which reached 4.4 million users, offset by price increases below inflation in fixed telephony and data services.

Revenue by Segment (USD M)



Source: Sekoia Research

### Debt Profile

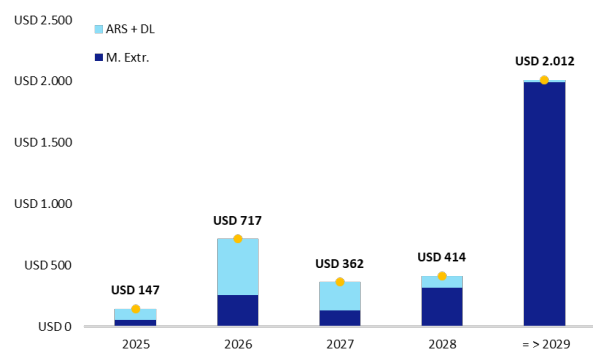
The acquisition of Telefónica amounted to USD 1.245 million, which implied that Telecom assumed inter-company debt of USD 126 million, with the remaining USD 1.119 million financed through two bank loans. The first was a syndicated loan from BBVA Argentina, Deutsche Bank, and Santander for USD 970 million, bullet in 48 months, at a quarterly SOF rate plus a margin ranging from 4.5% to 7%. The second was a bilateral loan with ICBC for USD 200 million, with a 60-month term and semiannual amortization, at a quarterly SOF rate plus 4%. In May 2025, the company issued an international Class 24 bond for USD 800 million at a yield of 9.5%. The proceeds were used to prepay USD 650 million of the syndicated loan and USD 134 million of the bilateral loan related to the Telefónica acquisition.

Since then, TECO has issued two corporate bonds: one in U.S. dollars under Argentine law for USD 50.5 million, bullet in two years with a quarterly coupon of 7.5%; and another in local currency for the equivalent of USD 57 million, bullet in one year with a quarterly TAMAR + 4% coupon. Additionally, last July the company reopened the international Class 24 bond for an additional USD 200 million at a yield of 8.8%. Finally, in September it secured a loan with ICBC for RMB 930 million, or approximately USD 145 million, with a 6.15% coupon, twenty-four-month amortization, payable in three quarterly installments.

As a result, at the end of 9M25 the company's total financial debt amounted to USD 3.747 million, 37% higher than in 9M24, with 76% denominated in foreign currency and the rest in local currency. Moreover, since TMA had positive net financial debt due to a cash position of USD 355 million, the company increased its consolidated cash position by 39%. At these levels, net leverage stands at 2.1 times EBITDA for the last 12 months and 5 times annual interest payments. Thus, the transaction with Telefónica produced a stronger EBITDA position relative to the increase in debt, improving its net leverage.

Telecom Arg. SA (USD M)	9M25	9M24	Var (%)	9M23	Var (%)
Total Financial Debt	3,747	2,743	37%	2,649	41%
Cash and Cash Equivalents	513	369	39%	440	17%
Net Debt	3,235	2,374	36%	2,209	46%
LTM EBITDA	1,537	714	115%	971	58%
Net Debt/EBITDA	2,1	3,3	-1,2	2,3	-0,2
LTM Interest	307	357	-14%	428	-28%
EBITDA/LTM Interest	5,0	2,0	3,0	2,3	2,7

Debt Profile (USD M)



Source: Sekoia Research

## Bonds

Telecom has three U.S. dollar-denominated bonds governed by international law. The first, Class 1, maturing in 2026, pays semiannual interest and a bullet repayment at maturity. The bond was used to subscribe to the new Class 21 notes and was partially redeemed in December 2024, leaving 40% outstanding. The Class 21 bond, issued in 2024 and maturing in 2031, pays semiannual interest and is amortized in three equal annual installments starting in 2029. Lastly, the Class 24 bond, issued in 2025 and maturing in 2033, pays semiannual interest and is amortized in two equal annual installments starting in 2032. All bonds are unsecured.

ISIN	Ticker	Price	YLD	Dur	Min Inv	Out Amou	Fitch
USP9028NAV30	TECOAR 8 07/18/26	100,25	7,5	0,6	1.000	162,7 M	B
USP9028NBT74	TECOAR 9.5 07/18/31	105	8,2	3,6	1.000	817,2 M	B
USP9028NCA74	TECOAR 9.25 05/28/33	103,75	8,5	5,1	1	1.000 M	B

**Source:** Sekoia Research

## Outlook

The company enjoys an excellent credit reputation and continues to have access to both local and international credit markets. Although it operates in a highly competitive environment, it has managed to secure a dominant position without increasing its leverage, allowing it to carry out the significant investments required for the sector's necessary modernization. In addition, the company maintains prudent financial management, and the handling of recent issuances and loans has substantially extended its debt maturity profile.

Within the Argentine corporate curve, TECO's bonds offer good diversification compared with the heavy weighting of the energy sector among local issuers. Our U.S. dollar fixed-income funds are positioned with this in mind. We find the 2033 bond, yielding 8.5%, to be attractive.

Kind regards,

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