

Liberty Global PLC

Liberty Global restructures European units in effort to revive shares

Telecoms group to list Swiss business later this year and draws up plan to separate Virgin Media O2's fixed-line business



Liberty Global chief Mike Fries said the group had to 'pivot' © Kacper Pempel/Reuters

Yasemin Craggs Mersinoglu in London 51 MINUTES AGO

Liberty Global is pressing on with restructuring the telecoms empire assembled by its chair and so-called “cable cowboy” John Malone as the group struggles to revive its languishing share price.

The group, whose headquarters are split between London, Denver and Amsterdam, has been slimming down in recent years but said on Friday it was accelerating a shake-up of its subsidiaries as it attempts to create more value for shareholders.

Chief executive Mike Fries said action needed to be taken as the group's shares continued to trade at what he described as a “significant” discount. “You have to be willing to pivot,” he told the Financial Times.

Liberty Global intends to list its Swiss telecoms business Sunrise later this year, which it [acquired for \\$7.4bn](#) less than four years ago, with shares allocated to Liberty Global investors. Fries said this would put “value in their hands” but added it was too early to provide details on pricing.

It will create a holding company for its Belgium unit Telenet and its stake in VodafoneZiggo, a joint venture in the Netherlands, as a precursor to a potential listing and to help it raise further capital.

The group will also restructure its fixed network of Virgin Media O2 to help it compete with rivals in the race to roll out high-speed broadband across the UK.

Virgin Media O2, which is jointly co-owned by [Liberty Global](#) and Spain's Telefónica, is in the process of upgrading its entire fixed network to full fibre and is also a supplier for nexfibre, a joint venture with InfraVia Capital Partners. The companies have reached more than 4mn homes, in comparison to incumbent BT's Openreach, which has reached 13mn.

Fries said a new "NetCo" could be spun off or merged but that the initial focus would be on the network upgrade and potential acquisitions of alternative network providers or "altnets". He declined to comment on its acquisition pipeline but in November said the company was looking at "another six or seven" [altnets in the M&A](#) market.

It was also announced on Friday that Liberty Global and Warner Bros Discovery had [sold All3Media](#) — the London-based television and film production company behind *Fleabag* and *Squid Game: The Challenge* — to RedBird IMI for £1.15bn.

Liberty Global amassed an international telecoms empire through a series of deals over the past 15 years but has pulled back in several markets, going from operating in 12 in 2017 to five today, to refocus on more profitable countries.

Disposals included the sale of its assets in Germany, Czech Republic, Hungary and Romania to [Vodafone for €18.4bn](#) in 2019 and spinning out its Latin American business in 2018.

Despite this, its share price has fallen a fifth over the past five years. Karen Egan, a senior telecoms analyst at Enders Analysis, said Liberty Global had been "very wily" investors in the past but there was "less coherence" to its current investments.

"Given that uncertainty about the value they are adding, it is somewhat inevitable that the shares would trade at a discount," she added. "There's a whole lot of complexity in their holdings, including debt at the company level and cash at the parent level, and investors will apply a discount when it requires them to put a whole lot of effort in to understand the whole."

Fries added Liberty Global had taken the opportunity to repurchase 60 per cent of its shares outstanding at "attractive prices" since 2017.

"We are taking it private very slowly," he said, referring to the scale of the buybacks but speaking slightly tongue-in-cheek. A spokesman for Liberty Global said this should not be taken as a signal that the company would be taken private. The company plans to buy back up to 10 per cent of its shares this year.

News of the restructuring came shortly after Liberty Global reported its annual results. It swung to a loss from continuing operations of \$3.9bn in 2023 compared

with earnings of \$1.1bn in 2022. Its principal amount of debt and finance leases at the end of 2023 was \$15.9bn, up from \$13.8bn in 2022.

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As previously announced, Liberty Global intends to spin-off its businesses attributed to Sunrise GmbH (“Sunrise”) into a separate publicly-traded company (the “Transaction”). In connection with the Transaction, a registration statement on Form F-4 that will include a preliminary proxy statement (the “Proxy Statement/Prospectus”) will be filed and mailed to the Liberty Global shareholders. LIBERTY GLOBAL SHAREHOLDERS ARE URGED TO READ THE DEFINITIVE PROXY

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Forward-Looking Statements

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