

Partner



Company & Financial Overview

August 27, 2019

Safe harbor statement

This presentation includes forward-looking statements within the meaning of Section 27A of the US Securities Act of 1933, as amended, Section 21E of the US Securities Exchange Act of 1934, as amended, and the safe harbor provisions of the US Private Securities Litigation Reform Act of 1995. Words such as "estimate", "believe", "anticipate", "expect", "intend", "seek", "will", "plan", "could", "may", "project", "goal", "target" and similar expressions often identify forward-looking statements but are not the only way we identify these statements. Specific statements have been made regarding the Company's intention to deploy the fiber optic network with an extensive coverage of potential households in approximately 3 years, regarding the volume of projected investment in the fiber optic infrastructure (CAPEX), the expected return on investment period and operating expenses savings (OPEX) for the wholesale infrastructure. In addition, all statements other than statements of historical fact included in this presentation regarding our future performance are forward-looking statements. We have based these forward-looking statements on our current knowledge and our present beliefs and expectations regarding possible future events. These forward-looking statements are subject to risks, uncertainties and assumptions, including, whether the Company's financial resources and its technological capabilities in fiber optics will enable it to continue to perform the deployment of its fiber-optic infrastructure and maintain the operational efficiency according to the time table and early planning, and whether this plan will be challenged by competencies developed by competitors or exogenous changes that will occur in the telecommunications market or in the regulatory and whether unanticipated demands on the Company's financial resources might cause the preparations for future debt recycling to fall short of the Company's needs. Future results may differ materially from those anticipated herein. For further information regarding risks, uncertainties and assumptions about Partner, trends in the Israeli telecommunications industry in general, the impact of current global economic conditions and possible regulatory and legal developments, and other risks we face, see "Item 3. Key Information - 3D. Risk Factors", "Item 4. Information on the Company", "Item 5. Operating and Financial Review and Prospects", "Item 8. Financial Information - 8A. Consolidated Financial Statements and Other Financial Information - 8A.1 Legal and Administrative Proceedings" and "Item 11. Quantitative and Qualitative Disclosures about Market Risk" in the Company's Annual Reports on Form 20-F filed with the SEC, as well as its immediate reports on Form 6-K furnished to the SEC. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Company Overview



Partner Highlights

- A comprehensive Israeli communications group
- **Saban Capital Group** – Controlling shareholder since 2013
- More than **3 million connections** in all activities
- **Fastest growing TV platform** in Israel ➡ +19K sub. in Q2 2019 (over 8% MS)
- **Fastest deployment** of Fiber Optic network in Israel ➡ over 480K HP (approximately 25% of the retail market infrastructures)
- Strong balance sheet with **1.2 net debt/Adjusted EBITDA** ratio
- Decreasing **cellular churn** rate – 35% in 2018 and 16.4% in H1 2019

Partner Group LOB



Cellular



Broadband & Fiber



**Business
Solutions**



TV

Partner leading Israeli Telco group

More than 3 million connections in all activities



Partner Fiber

Approximately
25% of retail fiber
deployment

+480K
households reached*



Partner TV

Over 8% MS
within 2 years

170 K sub.*



Cellular

25% MS

2,616 K sub.



Broadband and ISP operation



Business Solutions

Leading
service provider

* As of August 27, 2019

Partner's Fiber Optic network

Fiber deployment: Aiming for the mass market

- Low deployment cost compared to other companies in the world
- Speeds of up to 1 Gbps
- OPEX savings - replacing wholesale infr. with independent infr.
- Wholesale potential on our fibers
- Intention to deploy massive coverage of potential households in Israel within approx. 3 years
- CAPEX relating to F.O. network is expected to remain stable in coming years compared to 2018 with a specific increase in 2019 resulting from acceleration of deployment pace
- Expected payback period of 7 years
- Approx. 75% of TV subscribers are in bundle/triple offerings (broadband based)



Partner's Fiber Optic network

Company EBITDA Impact Sensitivity Analysis (NIS M)

		Incremental ARPU/Opex Saving (NIS per month)				
		75	80	85	90	95
No. Customers (000s)	50	45	48	51	54	57
	100	90	96	102	108	114
	150	135	144	153	162	171
	200	180	192	204	216	228
	250	225	240	255	270	285
	300	270	288	306	324	342



Afula
Ashdod
Ashkelon
Bat Yam
Be'er Ya'akov
Beer Sheva
Bnei Brak
Givat Shmuel
Givatayim
Ganei Tikva
Hod Hasharon
Herzliya
Hadera
Holon
Haifa
Jerusalem
Kfar Saba
Kiryat Ata
Kiryat Bialik
Kiryat Gat
Kiryat Ono
Kiryat Yam

Kiryat Mozkin
Lod
Modi'in-Maccabim-re'ut
Netanya
Ness Ziona
Nesher
Or Yehuda
Or Akiva
Pardes Hanna-Karkur
Petah Tikva
Ra'anana
Rehovot
Rosh HaAyin
Rishon Lezion
Ramla
Ramat Gan
Ramat-Hasharon
Tel Aviv- Jaffa
Yavne
Yehud-Monosson
Yokne'am



**Presence in
over 50% of
the cities in
Israel**

Reached over 480K
households
within 2 years

Partner's Cellular network

Providing the widest 4G deployment in the country

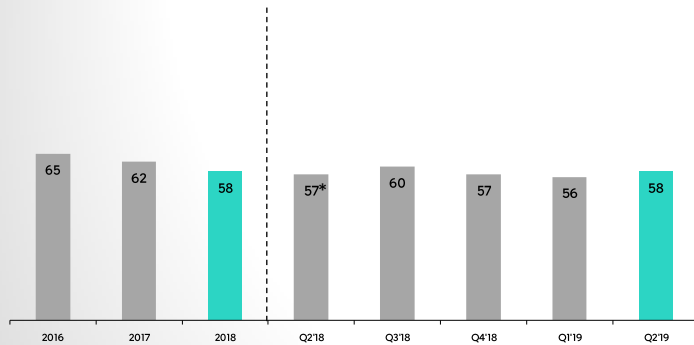
(Based on benchmark data of Ookla network intelligence during 2018)

- Network sharing agreement with Hot Mobile
- Completion of cover and call continuity by WiFi calling
- First to launch a VoLTE service

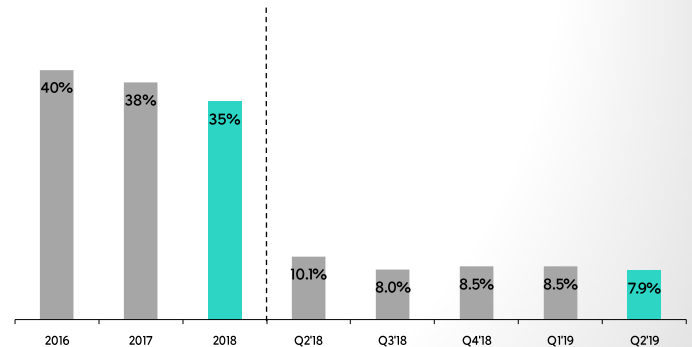


Cellular ARPU & Churn

Cellular ARPU (NIS)



Cellular churn (%)



* ARPU for Q2 2018, excluding a one-time provision of NIS 15 million for a class action, is NIS 59

Partner tv

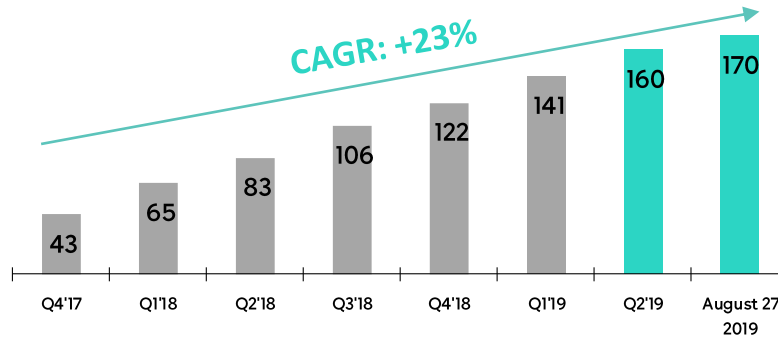
Fastest growing TV platform in Israel

- Partnership with Netflix
- Collaboration with Amazon Prime Video
- Flexible content costs model
- Potential ARPU growth - Android set top box
- Competitors will need to adjust technology –massive CAPEX
- Leveraging TV service operation to fixed line equipment sales



Partner TV subscriber base

(EOP, '000s)



Partner's Business Solutions

Integrated Hybrid Solutions



Hosting



**IT
Integration**



**Networking
Security**



Cellular Integration



Wired Telephony



**International
Communications**

Infrastructure & IoT Pro

Machines are the customers of the future



Connected &
Autonomous
Vehicles



Smart
Home



Tracking
Devices



Industrial
Automation



Smart
Cities



Smart
Health



New
Hobbies



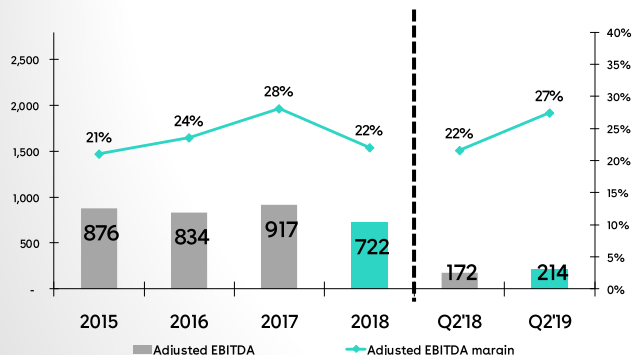
Financial Overview



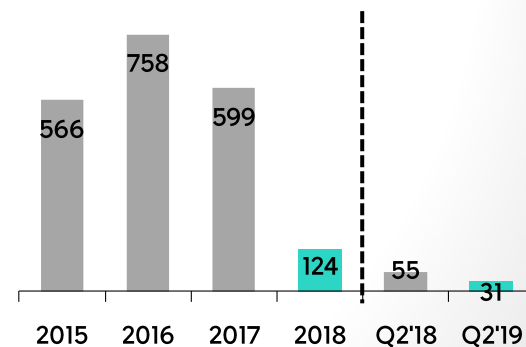
Adjusted EBITDA and Adjusted FCF*

Significant CAPEX outlay in new revenue engines of fiber optic network and TV from 2017

Adjusted EBITDA & Adjusted EBITDA margin (NIS, million)



Adjusted Free Cash Flow (before interest) (NIS, million)



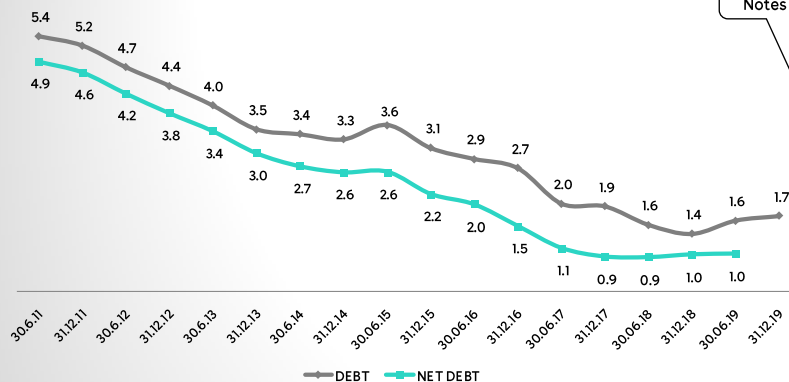
* Adjusted EBITDA figures from 2017 include impact of adoption of IFRS 15. For more details see the Company's 20-F report.

Adjusted EBITDA figures from 2019 include impact of adoption of IFRS 16 (NIS 38 million for Q2'19). For more details see the Company's quarterly PR.

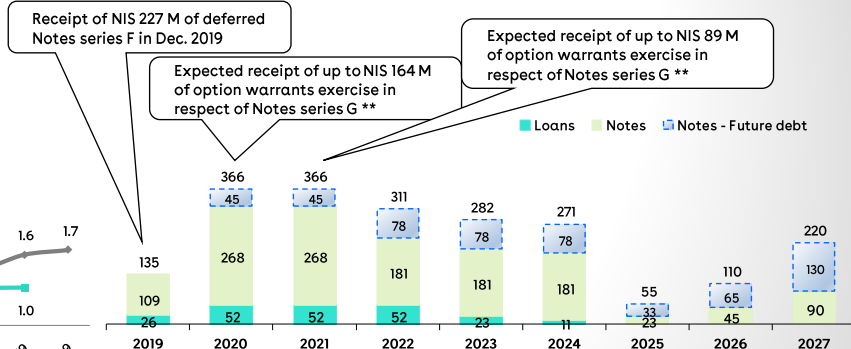
Adjusted EBITDA, Adjusted EBITDA margin and Adjusted Free cash flow are Non-GAAP financial measures. Please see "Use of Non-GAAP Financial Measures" in the quarterly PRs.

Net Debt decreased by ~ 51% in three years

Debt/Net Debt (NIS, billion)



Repayment Schedule Notes* & Loans (NIS, million)



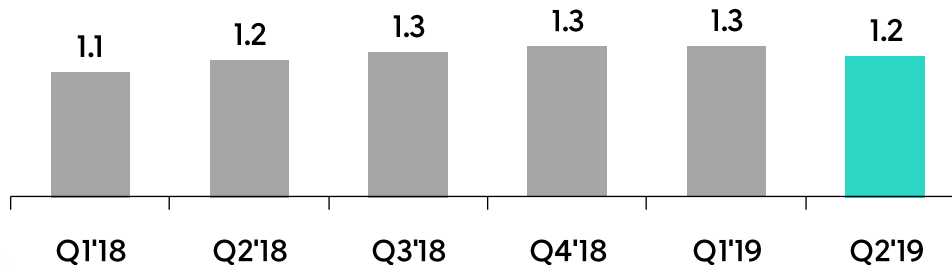
Debt figures for year-end 2019 include a deferred issuance of Notes Series F in an amount of NIS 227 million in December 2019.

Debt figures for year-end 2019 exclude possible exercise of option warrants in respect of Notes Series G in the second half of 2019.

* Including future issuance of Notes Series F (in December 2019) & expected issuance of Series G in 2020 and 2021

** The total consideration expected to the Company in respect of full exercise of the option warrants (assuming that there will be no change to the exercise price and that the option warrants will be exercised on the latest dates possible)

Net Debt to Adjusted EBITDA*

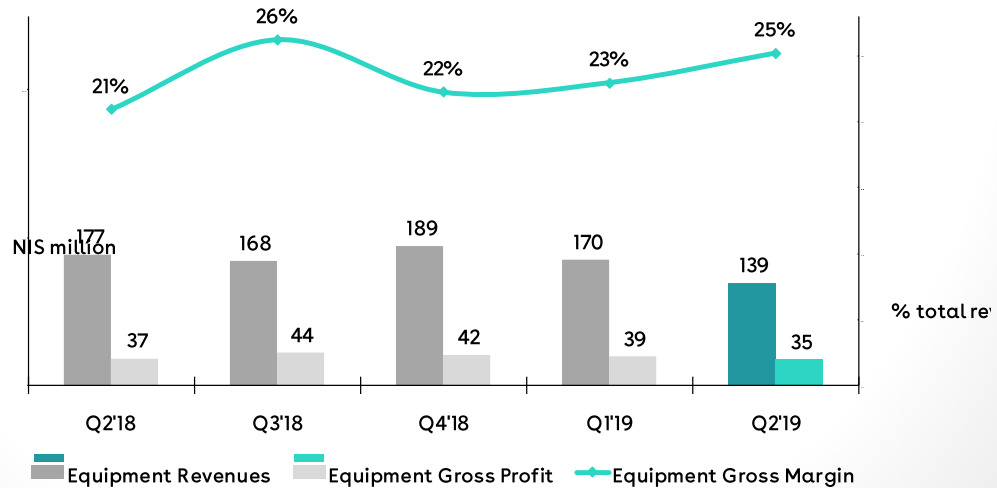


* Notes payable and borrowings less cash & cash equivalents (incl. ST deposits) divided by Adjusted EBITDA for the last 4 quarters
Adjusted EBITDA figures from 2019 include impact of adoption of IFRS 16 (NIS 38 million in Q2'19 and NIS 39 million in Q1'19). For more details see the Company's quarterly PR.

Equipment

Stable profit and quality sales

Equipment revenues and gross profit



Competitive Advantages



Cellular network with the widest deployment of LTE/LTE Advanced in Israel



Highest growth rate among TV operators in 2018 and 2019



Lowest financial debt level and lowest net debt/EBITDA ratio of all the leading traded communication groups in Israel



Strong and experienced management team



Fastest deployment of fiber optic infrastructure – will enable OPEX savings - replacing current wholesale infrastructure charges

Partner's strengths



Strong Foundations

Widest 4G coverage, leading customer service, network sharing agreement, more than 22 hundred kilometers of fiber optics



Defined Strategy

Transforming into a Total Telecommunications Group, diversified revenue sources from private and business customers, increasing digital operations, innovation



Billing Relations

Partner serves over 3 millions connections - cellular subscribers, fixed-line households with broadband internet, ISP services and TV services



Innovative DNA

First to offer 3G & 4G in Israel, First to offer Wi-Fi Calling and VoLTE in Israel, First to offer roaming to customers in Israel, First to offer SMS in Israel

Company Management



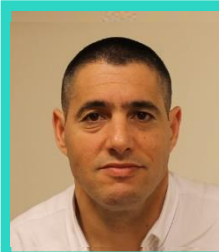
Adam Chesnoff
Chairman



Isaac Benbenisti
CEO



Yuval Keinan
Deputy CEO



Tamir Amar
Chief Financial
Officer



Terry Yaskil
VP Marketing



Yakov Truzman
VP Business Division



Liran Dan
VP Strategy &
Business
Development



Yaron Eisenstein
VP Technologies
CIO/ CTO



Noach Hacker
VP Regulation &
Fiber Deployment



Hadar Vismunski
VP Chief Legal counsel
& Company Secretary



Einat Rom
VP Human
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Thank you