

# Quarterly Report

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Q1 2024

proximus

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- Strong Domestic commercial performance sustained in Q1: Mobile postpaid +21,000, Internet +12,000 and convergent customers +17,000.
- Fiber further scaling: 36% coverage in the street, +44,000 activated Fiber lines in Q1, total of 441,000 end-March 2024.
- Q1'24 Domestic revenue +4.5% to EUR 1,201 million, Services revenue of Residential up +6.5% and Business +2.7%.
- Domestic EBITDA of EUR 424 million in Q1'24, +4.7% YoY driven by strong +5.4% growth in Direct margin.
- International EBITDA +8.6% to EUR 30 million, driven by Communications & Data Direct margin growth of +0.9% and lower costs.
- Proximus Group Q1'24 underlying revenue of EUR 1,504 million, +1.2% YoY, underlying EBITDA of EUR 454 million, +5.0%.
- Q1'24 Capex at EUR 294 million and adjusted FCF at EUR -112 million, impacted by timing of working capital.
- Full confidence in reiterating guidance for full-year 2024.

## 1 Q1 2024 Highlights

- Proximus' Domestic segment closed the first quarter of 2024 with continued **strong growth in Mobile Postpaid, +21,000 net adds**, supported by Proximus' attractive brands portfolio and a superior mobile network. Proximus' Fiber footprint reaches meaningful coverage levels of 1,841,000 homes and businesses passed by end-March 2024, supporting a strong growth for its **Internet base (+12,000)**. **Residential convergent offers grew by +17,000** customers to a total of 1,130,000, a +6.5% year-on-year increase. End-March 2024, the number of **active Residential and Business Fiber lines totalled 441,000**, of which +44,000 were added in the first quarter. The decrease of the TV customer base was contained to -15,000, Fixed Voice was down by -43,000 subscriptions.
- Proximus' first quarter 2024 **Domestic underlying revenue was up by +4.5% to EUR 1,201 million**. The **Residential unit posted a +5.9%** revenue increase, including a strong +6.5% growth in Customer Services revenue, and revenue from Terminals year-on-year higher by EUR 9 million. Convergent revenue was up +10.9%, driven by further customer growth and the inflation-based price increases. The **Business unit revenue was up by +3.1% year-on-year**, supported by a continued growth trend **from Business Services up +2.7% year-on-year**. This was driven by IT Services (+7.8%), Fixed Data (+5.5%) and Mobile Services (+0.3%), outpacing the ongoing Fixed Voice erosion (-5.6%). Revenue from Products was up by + EUR 4 million compared to the same period last year. For **Wholesale Proximus posted an overall -4.9% revenue decrease** resulting from the loss of low margin interconnect revenue (EUR -6 million), while Wholesale Services revenue grew +10.2% benefiting from Services to its Joint-Ventures.
- The first-quarter 2024 **Domestic EBITDA totaled EUR 424 million, a +4.7% increase** from the same period in 2023. The sequential improvement from the previous quarter (+0.9%) reflects the higher direct margin, up by +5.4%, ongoing company-wide cost efficiencies and as year-on-year OpEx starts to moderate having passed the inflationary peak.
- The **Proximus International segment<sup>1</sup>**, through its two brands BICS and Telesign, posted EUR 94 million Direct Margin, up +0.6% year-on-year (+0.7% at constant currency), in spite of a -10.3% revenue decrease (-10.2% at constant currency) to EUR 316 million. For the product group **Communications & Data services revenue** of EUR 197 million was posted over the first quarter 2024 (-9.9%), while its direct margin increased year-on-year by +0.9%. This resulted from growth in Digital Identity, Mobility and Omnichannel CPaaS services, in part offset by the impact of lower SMS volumes. The product group **P2P Voice & Messaging services** posted EUR 138 million revenue (-15.5%), with stable Direct Margin. With a sound costs management and a growing Direct Margin, the **International segment posted an EBITDA of EUR 30 million, up by +8.6%** from the prior year.
- In aggregate, the Proximus **Group underlying revenue totaled EUR 1,504 million** for the first quarter of 2024, **up +1.2%** driven by a strong increase in Domestic revenue. The underlying **Group EBITDA totaled EUR 454 million, a year-on-year increase by +5.0%**.
- The **Proximus Group CapEx** for the first quarter of 2024 totaled EUR 294 million, EUR 17 million below the comparable period in 2023. This mainly reflects the lower CapEx needs for Proximus' own fiber build, while the CapEx to connect and activate customers increases. Furthermore, Proximus continued to invest in the ongoing Mobile network (RAN) consolidation, and in IT & Digital customer experience.
- **At end-March 2024, the FCF adjusted for M&A related cash-out stood at EUR -112 million** (EUR -128 million, on reported basis). This mainly reflects quarterly timing effects on business working capital (Account Receivables, Payables, and Inventory) and the cash-out to support our Capex investment program.

## Market situation

For the Residential market, Belgium remains very much a convergent market, with offers addressing all customer segments, from fully-fledged convergent offers including multi-mobile cards and entertainment propositions over skinny bundles to stand-alone offers. The industry headwind of Fixed Voice decline continues and moderated cord cutting emerged in Belgium. While the Fixed internet market is slowly growing, Fiber connectivity increasingly creates opportunities. At the same time, with the evident inflation pressures in the Belgian market as elsewhere in Europe, the Belgian Telecom market has seen selective pricing increases to mitigate these impacts to its overall margins. Whereas the Mobile headline pricing is keeping a more prudent approach, with data allowances remaining on the rise, the market continues to see selective promo-driven competition. As the market is preparing for the announced newcomer, all network players in Belgium apply a multi-brand strategy. The Business market remained very competitive, translated into continued pricing pressure, whilst there has been room for targeted pricing actions. Fiber connectivity and Professional IT services represent opportunities, while legacy Fixed services face ongoing erosion.



Guillaume Boutin, CEO

### **The first quarter marks an excellent start to the year for our Domestic operations, while we are preparing to welcome Route Mobile as the next step in the development of our international growth plans.**

We proudly present the results of the first 3 months of the year. In an evolving competitive environment, our Domestic operations continued to deliver strong commercial traction supported by our product superiority and multi-brand strategy. The combination with sound value management has led to an excellent year-on-year Domestic revenue growth of +4.5%.

We are particularly pleased with our core Domestic Services, up by +4.9%. This combined with our continued cost efficiencies efforts resulted in a +4.7% Domestic EBITDA growth, confirming the return to EBITDA growth since Q4 2023. Our excellent start into the year is ahead of our initial expectations. While we remain cautious at this point of the year, this set of results gives me great confidence in achieving our objectives set for 2024.

Our network superiority in both Fixed and Mobile remains a key support of our commercial achievements. For Fixed, the further deployment of our Fiber network remains therefore a high priority. We closed the first quarter of 2024 with over 1.8 million homes and businesses across 159 cities passed with Fiber. This continuously swift deployment is also supported by our fiber joint ventures, Fiberklaar and Unifiber, supporting us in consolidating our first mover position. By end-March 2024 we brought "Fiber in the street" to 36% of Belgian Homes and Businesses. While our fiber deployment journey continues, we are also progressing our discussions to achieve fiber cooperation, in line with previous communications of BIPT and the Belgian Competition Authority.

For Mobile, I am very pleased to see our Mobile Network has been continuously recognized for its premium quality. After Ookla and Test Achats, the BIPT published the results of its annual testing campaign. Proximus' network, once again, clearly comes on top with unparalleled download speed for both 4G and 5G.

The first months of the year have also been productive in terms of innovative product launches. First, we launched our brand-new compact TV Box made of recycled plastic. The new box is significantly smaller than its predecessors, guarantees an even better user experience, includes new features such as Wi-Fi 6 technology and consumes up to 40% less energy. We also released our new Proximus+ app, providing to users a wide range of high-end innovative services to easily organize their daily digital life.

Regarding our International activities, we are paving the way to build a global digital communications champion. With all clearances obtained, we are nearing the final stages in the Route Mobile acquisition, with the transaction expected to close in May 2024. The financing of the transaction is secured with the successful issuance of a EUR 700 million bond, carrying a coupon of 3.75% for a 10-year maturity.

In view of our integrated International ambitions, we aligned our International segment reporting with focus on the nature of delivered services. This sets the path to integrate Route Mobile within our International segment and being in the best possible position to realize the expected EBITDA synergies of at least EUR 90 million at run rate. Over the first quarter of 2024, the International segment posted a +0.6% increase in direct margin, or +0.7% in constant currency. Direct margin of Communications & Data grew by +0.9%, including a mid-single digit direct margin growth for the CPaaS and DI platform. P2P Voice & Messaging direct margin remained stable year-on-year.

In response to the escalating threat of cyber fraud and rising SMS costs, Telesign launched Verify API, a new omnichannel API which integrates the leading user verification channels (SMS, Silent Verification, Email, OTT ...) into a unified API. This future-proofed technology marks a significant milestone in the fight against fraudulent activities, while providing businesses with a predictive and cost-effective solution.

To conclude, we started the 2nd year of bold 2025 strongly, continuing the positive EBITDA trend we initiated in the previous quarter, and step up to a strong 5% Group EBITDA growth for the first quarter. We delivered a strong Domestic commercial momentum, while we are on a clear path for our International ambition and the value creation that comes with that. As mentioned at the start, it's with great confidence we can reiterate the guidance we set for 2024, in spite of the anticipated changes in market structure.

Table 1: Key Figures

Operational (‘000)	Net adds in the quarter			Park at end of quarter		
	2023	2024	% Change	2023	2024	% Change
<b>Fiber</b>						
Homes Passed	91	92		1,373	1,841	34.1%
Activated retail lines	36	44		288	441	53.1%
<b>Residential customers</b>						
Convergent	14	17		1,061	1,130	6.5%
<b>Group (subscriptions/SIM cards)</b>						
Internet	11	12		2,227	2,279	2.3%
TV	-12	-15		1,697	1,659	-2.3%
Fixed Voice	-51	-43		1,759	1,608	-8.6%
Mobile Postpaid (excl. M2M)	10	21		4,827	4,994	3.4%
M2M	92	26		4,069	4,273	5.0%
Prepaid	-16	-28		606	520	-14.1%

Financials (EUR million)	1st Quarter		
	2023	2024	% Change
<b>Group Revenue (underlying)</b>	<b>1,486</b>	<b>1,504</b>	<b>1.2%</b>
of which Domestic	1,149	1,201	4.5%
of which International	353	316	-10.3%
<b>Group Direct Margin (underlying)</b>	<b>947</b>	<b>994</b>	<b>5.0%</b>
of which Domestic	857	903	5.4%
of which International	94	94	0.6%
<b>Group Expenses (underlying)</b>	<b>-515</b>	<b>-541</b>	<b>5.1%</b>
of which Domestic	-452	-479	6.0%
of which International	-66	-64	-2.8%
<b>Group EBITDA (underlying)</b>	<b>432</b>	<b>454</b>	<b>5.0%</b>
<b>as % of revenue</b>	<b>29.1%</b>	<b>30.2%</b>	<b>1.1 p.p.</b>
of which Domestic	405	424	4.7%
of which International	28	30	8.6%
<b>Group EBITDA (reported)</b>	<b>445</b>	<b>465</b>	<b>4.4%</b>
<b>Net income</b>	<b>94</b>	<b>101</b>	<b>6.5%</b>
<b>Accrued capex (excl. spectrum &amp; football rights)</b>	<b>311</b>	<b>294</b>	<b>-5.5%</b>
<b>FCF (adjusted)</b>	<b>-79</b>	<b>-112</b>	<b>-41.3%</b>
<b>Adjusted net fin position (excl. lease liabilities)</b>	<b>-2,870</b>	<b>-3,263</b>	<b>-13.7%</b>

- Group revenue, Direct margin, Operating Expenses and EBITDA include intersegment eliminations
- Adjusted FCF excludes M&A impacts but includes Fiber equity injections.

## 2 Proximus Group Financial Review

### 2.1 Group financials (underlying)

Table 2: Underlying Group P&L

(EUR million)	1st Quarter		
	2023	2024	% Change
Revenue <sup>1</sup>	1,486	1,504	1.2%
Net Revenue	1,474	1,492	1.2%
Other Operating Income	12	12	-1.0%
Cost of Sales <sup>2</sup>	-539	-509	-5.6%
Direct Margin	947	994	5.0%
Direct Margin %	63.7%	66.1%	2.4 p.p.
Expenses	-515	-541	5.1%
EBITDA <sup>3</sup>	432	454	5.0%
EBITDA Margin %	29.1%	30.2%	1.1 p.p.

<sup>1</sup> Corresponds to "Total Income"

<sup>2</sup> Corresponds to "Cost of materials and charges to revenues"

<sup>3</sup> Corresponds to "Operating income before depreciation and amortization"

See section 6.3 for 'Reported to Underlying'

#### 2.1.1 Underlying Group revenue

The Proximus Group underlying revenue totaled EUR 1,504 million for the first quarter of 2024, a year-on-year increase of +1.2% or EUR 17 million.

Proximus' Domestic segment grew its underlying revenue to EUR 1,201 million, an increase of +4.5% or EUR 52 million compared to the preceding year.

The Residential revenue totaled EUR 620 million, up year-on-year by +5.9%. This was mainly driven by a +6.5% increase for Customer Services revenue. The strong growth resulted from a +10.9% year-on-year increase in Convergent revenue, with a sustained increase in the convergent customer base (+ 6.5%) further supported by price indexations<sup>1</sup>. Moreover, revenue from Terminals was up by EUR 9 million from the year before.

The first-quarter 2024 revenue of the Business unit ended +3.1% above the 2023 comparable base. Business Services revenue continued its positive trend in the first quarter, up by +2.7%, with especially higher revenue from IT Services (+7.8%) and Fixed Data (+5.5%) more than offsetting the ongoing but moderate Fixed Voice revenue erosion (-5.6%). Revenue from Products was also up year-on-year by EUR 4 million, driven by IT equipment (+7.7%) while Terminals were down year-on-year (-6.0%).

Proximus' Wholesale unit posted a first-quarter 2024 revenue of EUR 59 million, -4.9% or EUR -3 million down from the same period of 2023. The revenue decline is fully attributed to a EUR -6 million decrease in low-margin interconnect revenue. Revenue generated by Fixed and Mobile wholesale services was up +10.2%.

Proximus' International segment posted EUR 316 million of revenue over the first quarter of 2024, a year-on-year decrease of -10.3% (-10.2% on a constant current basis<sup>2</sup>), mainly on the account of lower margin services. Revenue from Communications & Data totaled EUR 197 million, down -9.9% as result of lower CPaaS SMS volumes following the ongoing move from SMS-only to Omnichannel solutions. This was partly offset by

<sup>1</sup> January 1, 2024 and July 1, 2023

<sup>2</sup> Provides a view on the business performance, filtering out the currency effects by using a constant currency.

growth in a.o. Digital Identity, Mobility and Cloud communication services. For P2P Voice & Messaging, revenue of EUR 138 million was posted, down -15.5% from the same period last year, due to the rollout of VoLTE in roaming by Mobile operators, and due to a less favorable destination mix.

Table 3: Underlying Group Revenue

(EUR million)	1st Quarter		
	2023	2024	% Change
<b>Group Underlying by Segment</b>	<b>1,486</b>	<b>1,504</b>	<b>1.2%</b>
Domestic	1,149	1,201	4.5%
Residential	585	620	5.9%
Business	487	502	3.1%
Wholesale	62	59	-4.9%
Other (incl. eliminations)	14	19	37.7%
International	353	316	-10.3%
Communications & Data	219	197	-9.9%
P2P Voice & Messaging	163	138	-15.5%
International eliminations	-29	-19	36.3%
Group eliminations	-15	-13	12.9%

## 2.1.2 Underlying Group direct margin

Table 4: Underlying Group Direct Margin

(EUR million)	1st Quarter		
	2023	2024	% Change
<b>Group Underlying by Segment</b>	<b>947</b>	<b>994</b>	<b>5.0%</b>
Domestic	857	903	5.4%
International	94	94	0.6%
Group eliminations	-3	-2	24.5%

The first quarter 2024 underlying direct margin of the **Proximus Group totaled EUR 994 million, an increase of +5.0% or EUR 47 million** from the comparable period last year. Proximus' **Domestic operations posted a direct margin of EUR 903 million, +5.4% or EUR 46 million** above the prior year. For its International segment, **Proximus posted EUR 94 million direct margin, up +0.6%** from the same period last year (+0.7% at constant currency) despite the revenue pressure.

## 2.1.3 Underlying Group Expenses <sup>3</sup>

Table 5: Underlying Group expenses

(EUR million)	1st Quarter		
	2023	2024	% Change
<b>Group Underlying</b>	<b>515</b>	<b>541</b>	<b>5.1%</b>
Workforce expenses	330	342	3.8%
Non-Workforce expenses	185	198	7.4%
<b>Domestic Underlying</b>	<b>452</b>	<b>479</b>	<b>6.0%</b>
Workforce expenses	288	300	4.3%
Non-Workforce expenses	164	178	8.9%
<b>International Underlying</b>	<b>66</b>	<b>64</b>	<b>-2.8%</b>
Workforce expenses	43	43	-0.9%
Non-Workforce expenses	23	22	-6.2%
<b>Group eliminations</b>	<b>-3</b>	<b>-2</b>	<b>25.0%</b>

The Proximus **Group underlying operating expenses** increased year-on-year to EUR 541 million in the first quarter of 2024, **up by +5.1%**, with the trend showing further sequential improvement from prior quarters as the level of inflationary pressure further moderates.

The **Domestic operating expenses totaled EUR 479 million, +6.0%** with the year-on-year rise including remaining inflationary cost increases (wage indexations and other costs such as rental and maintenance) and higher costs related to acquiring and migrating customers. In line with the company's ongoing strong commercial results, Proximus' customer-related cost was up year-on-year, including amongst others higher contact center volumes, commercial means and billable manpower related to delivered customer IT-services. This was in part offset by the continued significant cost savings, with Proximus further advancing in its 3-year cost efficiency program. As part of this cost program, Proximus manages its headcount outflow, with internal headcount down by -67 FTEs year-over-year to a total of 10,371 FTEs.

Proximus' **International segment first quarter 2024 operating expenses totaled EUR 64 million, down -2.8%** year-on-year driven by tighter cost management.

## 2.1.4 Group EBITDA - reported and underlying

Table 6: From reported to underlying EBITDA

(EUR million)	1st Quarter		
	2023	2024	% Change
<b>Group reported EBITDA</b>	<b>445</b>	<b>465</b>	<b>4.4%</b>
Adjustments	-13	-11	nr
<b>Group Underlying EBITDA</b>	<b>432</b>	<b>454</b>	<b>5.0%</b>
Domestic	405	424	4.7%
International	28	30	8.6%

<sup>3</sup> Before D&A; excluding Cost of Sales; excluding incidentals.



## Underlying Group EBITDA

For the first quarter 2024, the **underlying Group EBITDA** totaled **EUR 454 million**, up by +5.0% compared to the prior year. For its **Domestic segment**, **Proximus** posted an **underlying EBITDA of EUR 424 million, +4.7%**, with the increase in Direct Margin more than offsetting the higher operating costs. **Proximus International segment** posted an **EBITDA of EUR 30 million**, a year-on-year increase of +8.6%.

## Total Reported Group EBITDA

The **Proximus Group** reported **EUR 465 million EBITDA** for the first quarter of 2024, an increase of **+4.4%** or EUR 20 million from the comparable period in the previous year. There was a EUR -11 million adjustment from reported to underlying Group EBITDA for the first quarter of 2024. This was mainly the net effect of adjustments to the EBITDA for lease depreciation and lease interest (reducing the underlying EBITDA by EUR 23 million and EUR 2 million respectively) and incidental costs related to M&A and transformation costs (increasing the underlying EBITDA for a total of EUR 14 million). For an overview of all adjustments, see section 6.3).

## 2.1.5 Net income

Depreciation and amortization	Net finance cost	Tax expenses	Net income (Group share)
The first-quarter 2024 <b>depreciation and amortization</b> (including lease depreciation) amounted to <b>EUR 301 million</b> , a 3.1% increase compared to the same quarter of last year.	The first-quarter 2024 <b>net finance costs of EUR 32 million</b> , were down year-on-year by EUR 6 million, mainly due to higher interests on long-term debt, partially compensated by lower short-term interests.	In the first quarter of 2024 the <b>tax expenses</b> amounted to <b>EUR 29 million</b> , leading to an <b>effective tax rate of 22.5%</b> . The difference with the Belgian statutory tax rate of 25% results from the application of an Innovation Income Deduction, a Belgian R&D tax incentive, exceeding the non-deductible items.	Compared to the same period of last year, the <b>Proximus net income</b> over the first 3 months of 2024 (Group share) increased by 6.4% to <b>EUR 101 million</b> , with the EBITDA growth partly offset by higher depreciations and net finance costs.

Table 7: From Group EBITDA to net income

(EUR million)	1st Quarter		
	2023	2024	% Change
<b>Group reported EBITDA</b>	445	465	4.4%
Depreciation and amortization	-292	-301	3.1%
<b>Operating income (EBIT)</b>	153	164	7.1%
Net finance costs	-26	-32	21.5%
Share of loss on associates and JV	-5	-3	-44.9%
<b>Income before taxes</b>	123	130	5.9%
Tax expense	-28	-29	4.1%
<b>Net income</b>	94	101	6.5%
Non-controlling interests	0	0	-31.6%
<b>Net income (Group share)</b>	95	101	6.4%

## 2.1.6 Investments

The Proximus Group CapEx<sup>4</sup> totaled EUR 294 million over the first quarter of 2024, EUR -17 million below the comparable period in 2023. The year-on-year decrease mainly reflects the slow-down of Proximus' own fiber build, in line with its announced long-term Fiber network deployment plan. Meanwhile the Fiber Joint-Ventures Fiberklaar and Unifiber are scaling up their pace. Proximus own fiber deployment accounted for 21% of the total CapEx against 26% during the same period in 2023. End-March 2024, Fiber works were ongoing in 159 cities and municipalities in Belgium. Proximus fiber HP footprint was 31% end-March 2024, reaching 1,841,000 premises with fiber. The footprint of "fiber in the street" increased to 36%. While the CapEx for Proximus' own fiber build further decreased from its peak in 2022, the customer termination and activation CapEx is rising with existing and new customers migrating to fiber.

Moreover, the first quarter capex reflects the ongoing Mobile network (RAN) consolidation between Proximus and Orange Belgium, led by the created joint-operation Mwingz, as well as investments in IT and Digital customer experience.

## 2.1.7 Cash Flows

Table 8: EBITDA conversion to Free Cash Flow

(EUR million)	1st Quarter		
	2023	2024	YoY var
<b>EBITDA Reported</b>	<b>445</b>	<b>465</b>	<b>20</b>
Adjustments for incidental revenues and costs (1)*	8	14	7
Adjustments for lease payments in operating activities (2)*	-20	-23	-4
Adjustments for lease interests in operating activities (3)*	-1	-2	-1
<b>EBITDA Underlying</b>	<b>432</b>	<b>454</b>	<b>21</b>
<b>Cash flow from operating activities:</b>			
<b>I. Change in WC</b>	<b>-59</b>	<b>-148</b>	<b>-89</b>
a. Change in Business Working Capital	26	-151	-177
b. Changes in Working Capital for taxes (other than income tax)	-12	35	47
c. Other Changes in Working Capital	-73	-32	41
<b>II. Interest Payments</b>	<b>-25</b>	<b>-24</b>	<b>1</b>
<b>III. Income Tax Payments</b>	<b>-3</b>	<b>1</b>	<b>4</b>
<b>Cash flow from investing activities:</b>			
<b>IV. Cash Capex**</b>	<b>-426</b>	<b>-395</b>	<b>31</b>
<b>V. Cash Other Investing</b>	<b>1</b>	<b>0</b>	<b>-1</b>
a. Cash received for the sale of assets	0	0	0
b. Cash paid for equity injections in fiber joint-ventures	0	0	0
c. Cash paid/received for other investing activities	1	0	-1
<b>FCF Adjusted</b>	<b>-79</b>	<b>-112</b>	<b>-33</b>
Adjustments for M&A (4)*	-20	-1	19
Adjustments for M&A related transaction costs (5)*	0	-15	-15
<b>FCF Reported</b>	<b>-99</b>	<b>-128</b>	<b>-29</b>

\* Reference to table "From reported Free Cash Flow to Adjusted Free Cash Flow", section 6.3.2

\*\* Cash paid for acquisitions of intangible assets and property, plant, and equipment

In the first quarter of 2024 Proximus Group posted a **Free Cash Flow** of EUR -128 million, or EUR -112 million when adjusted for acquisitions (EUR 1 million) and M&A-related transaction costs (EUR 15 million). Compared to the same quarter in 2023, the adjusted Free Cash Flow decreased by EUR -33

<sup>4</sup> Booked CapEx, excluding CapEx for Spectrum and Football broadcasting rights

**million**, mainly related to timing effects in working capital needs (EUR -89 million), partially compensated by a higher underlying EBITDA (EUR 21 million) and the cash for CapEx coming down (EUR 31 million).

The issuance of a new bond (EUR 700 million in March 2024) resulted in a positive **Cash Flow used and provided in financing activities other than lease payments**.

## 2.1.8 Balance sheet and shareholders' equity

Compared to the end of 2023, the higher level of **Inventories** (EUR +26 million) and **Trade Receivables** (EUR +100 million), in combination with lower **Trade Payables** (CapEx incl.) (EUR -100 million) mark a timing effect in working capital needs.

**Other current assets** increased from EUR 202 million at the end of 2023 to EUR 261 million, driven by prepaid expenses (EUR 41 million) and the remeasurement of a contingent foreign currency hedge contract (EUR 18 million).

**Shareholders' equity** increased by EUR 113 million from EUR 3,300 million at the end of December 2023 to EUR 3,413 million at the end of this quarter, resulting from the **net income Group Share** (EUR 101 million) and the remeasurements of hedge contracts (EUR 12 million).

At the end of this quarter, Proximus' outstanding **long-term interest-bearing liabilities** (excluding lease liabilities and part maturing within one year) amounted to EUR 4,000 million, an increase of EUR 693 million, mainly resulting from the issuance of a bond in March (EUR 700 million). This bond also boosted the **Cash & Cash Equivalents** by EUR 561 million from EUR 716 million at last year's end towards 1,276 million at of March 31, 2024.

Taxes (other than income taxes) impacted the **Other current payables non-interest-bearing** by EUR 31 million, partially because for some of these taxes the yearly cost is fully accrued in the first quarter .

**Adjusted net financial position** reaches EUR 3,263 million (including re-measurements to fair value).

Table 9: Net financial position

(EUR million)	As at 31 December	As of 31 March
	2023	2024
Investments, Cash and cash equivalents	716	1,276
Derivatives	72	72
Current assets	0	0
<b>Assets</b>	<b>787</b>	<b>1,348</b>
Non-current liabilities (*)	-3,518	-4,213
Current liabilities (*)	-699	-699
<b>Liabilities</b>	<b>-4,217</b>	<b>-4,912</b>
<b>Net financial position (*)</b>	<b>-3,429</b>	<b>-3,564</b>
of which Leasing liabilities	-298	-300
<b>Adjusted net financial position (**)</b>	<b>-3,131</b>	<b>-3,263</b>

(\*) Including derivatives and leasing liabilities

(\*\*) The adjusted financial position excludes leasing liabilities

## 2.2 Regulation

### Spectrum

Proximus signed an agreement with NRB to acquire 20MHz of additional 5G spectrum in the 3600 MHz frequency band. This will allow Proximus to add more capacity when needed and paves the way for even better performance in terms of throughput and latency, as well as the security of data flows on private mobile networks.

The agreement between Proximus and NRB was submitted to the BIPT. The latter has given its green light, subject to the effective transfer of rights taking place after the publication of a new call for applications for the 3410-3430 MHz band in the Belgian Official Journal, which is due to be published very shortly. The call for applications will be accompanied by an increase of the spectrum cap from 100 MHz to 120 MHz, which is a necessary condition for Proximus to acquire NRB's 20 MHz, given that Proximus already has 100 MHz in this band.

### Termination rates

On December 18, 2020, the Commission adopted a binding decision setting single maximum EU-wide wholesale mobile and fixed termination rates (also referred to as Eurorates). This act establishes a three-year glidepath for mobile termination rates (MTR) and a transition period for fixed termination rates (FTR).

(€ cent/minute)	Previous	01/07/2021	01/01/2022	01/01/2023	As from 1/1/2024
MTR	0.99	0.70	0.55	0.40	0.20
FTR	0.116	0.093	0.070	0.070	0.070

### International roaming

The Roaming Regulation including RLAH expired on June 30, 2022. On 4 April 2022, the European Council adopted a new legislative act to extend the roaming regulation until 30 June 2032. In addition, the wholesale roaming charges, the prices that operators charge each other when their customers use other networks when roaming in the EU, are capped at EUR 2 per Gigabyte (Gb) from 2022 progressively down to EUR 1 in 2027. Furthermore, wholesale caps for voice and SMS are lowered based on a two-step glidepath in 2022 and 2025. The Commission has been tasked with reviewing the regulation and its first report is scheduled for June 30, 2025

€ excl. VAT	1/7/2022-31/12/2022	2023	2024	2025	2026	2027 -2032
Voice call/min	0,022	0,022	0,022	0,019	0,019	0,019
SMS	0,004	0,004	0,004	0,003	0,003	0,003
Data/GB	2	1,8	1,55	1,3	1,1	1

2025 tariffs and beyond subject to Commission review by 30 June 2025

## 2.3 ESG

Our purpose is “boldly building a connected world that people trust so society blooms”. That means we are actively building a connected world and have a unique role in ensuring the trustworthiness, security and sovereignty of these digital societies. By investing in digital accessibility and inclusiveness – and by taking action against global warming – individuals, households, companies and governments will flourish, and society will benefit. This purpose is Proximus’ compass, guiding it in all it does and defining its nine commitments in the ESG areas. More details on the company’s commitments can be found here: [Proximus sustainability report 2023](#).

### In the spotlight

- **# Refurbished fix devices** – 243,899 fix devices refurbished at end-March 2024, 35,000 more than during the same period in 2023.
- **# Refurbished Internet Boxes & TV Boxes** – 127,096 internet and TV boxes refurbished at the end of the first quarter 2024, 20,000 more than the same period last year.
- **# Hours of training per FTE on average** – 13 hours of training on average as of the first quarter 2024, 6 hours more than the first quarter 2023.
- **Tons of Recycled Copper Cable** – 246 tons of Copper Cables recycled as of end-March 2024, 160 tons more than the same period last year.
- 

### Proximus to apply new social rate as of 1 March 1, 2024

On March 1, 2024, the new social rate for telecom will take effect. Federal Telecom Minister Petra De Sutter has reached an agreement with the government and operators in this regard. Proximus too will be offering the social rate: eligible customers will be able to get a Proximus Internet subscription for EUR 19 per month and a pack combining Internet and TV for EUR 40 per month.

### Proximus new TV Box

As of March 15, Proximus started distributing a brand-new TV Box. Made of recycled plastic, the device is about 40% smaller than its predecessors, making it less plastic, more efficient, and environmentally friendly to transport, and more energy efficient. With an output of 12 W, the TV Box consumes up to 40% less electricity, depending on usage patterns. This is not only good news for the environment, but also more economical for the consumer's wallet. In addition, the device includes built-in Wi-Fi 6 technology. This new option allows customers to connect wirelessly to their home network, without the need for an external booster.

## 2.4 Outlook & Shareholder return

### Reiterating 2024 full-year guidance

Closing a strong first quarter 2024, Proximus Group reiterates with full confidence its full-year guidance 2024, keeping some caution ahead of the anticipated changes in the Belgian competitive landscape.

- Proximus is deploying its multi-brand strategy, continued convergent leadership and value management to capture revenue growth, with 2024 Domestic revenue to grow up to 1%.
- With unwinding inflation effects on energy and workforce, and Proximus revenue growth ambition, Domestic EBITDA is expected to grow up to 1%.
- At Proximus Group level, the EBITDA is also expected to grow up to 1%. This guidance will be updated post-closing of the Route Mobile acquisition.
- The CapEx (accrued, excluding Spectrum and football rights) is expected to be around EUR 1.2 billion.
- Upon closing of the Route Mobile acquisition, the Net Debt / EBITDA guidance (as per S&P definition) will be updated as well.

Table 10: outlook 2024

Guidance metric	FY23	YTD24	FY24
	Actuals	Actuals	Outlook
Underlying Domestic revenue	4,665M€	+4.5% YoY	Growing up to 1%
Domestic underlying EBITDA	1,636M€	+4.7% YoY	Growing up to 1%
Underlying Group EBITDA	1,757M€	+5.0% YoY	Growing up to 1%*
Capex (excluding Spectrum & football rights)	1,325M€	294M€	Around 1.2bn€
Net debt / EBITDA (As per S&P definition)	2.6x	NR	Around 2.7x*

\*After closure of Route Mobile acquisition, these metrics will be updated to reflect the full parameters of that acquisition

### Shareholder remuneration

#### Dividend over the result of 2023

The Annual Shareholders' meeting of 17 April 2024 approved the return to the Proximus shareholders a dividend of EUR 1.2 gross per share. The normal dividend of EUR 0.70 per share is payable on 26 April 2024 and completes the interim dividend of EUR 0.50 gross per share which was paid on 8 December 2023. This brings the total declared dividend over the 2023 result to EUR 387 million.

#### Coupon #: 38

Gross dividend: EUR 0.70/share

Net dividend (30% withholding tax assumed): EUR 0.49/share

- Ex-coupon date: 24 April 2024
- Record date: 25 April 2024
- Payment date: 26 April 2024

#### Shareholders return policy 2024-2025

In line with the Capital Markets Day announcement in January 2023, **Proximus will rebase its dividend level to EUR 0.60 per share for the years 2024 and 2025**. The rebased dividend level incorporates all currently known macro and inflationary headwinds, as well as expected changes in market structure. The proposed dividend is reviewed and submitted to the Board of Directors on an annual basis, in order to keep strategic financial flexibility for future growth, organically or via selective M&A, with a clear focus on value creation. This also includes confirming appropriate levels of distributable reserves.

The **dividend of EUR 0.6 per share over the result of 2024** is expected to be returned in two tranches, with a gross interim dividend of EUR 0.5 per share payable in December 2024 and the remaining normal gross dividend of EUR 0.1 per share in April 2025.

# 3 Domestic

Table 11: Domestic P&L

(EUR million)	1st Quarter		
	2023	2024	% Change
<b>Revenue*</b>	<b>1,149</b>	<b>1,201</b>	<b>4.5%</b>
Residential	585	620	5.9%
Business	487	502	3.1%
Wholesale	62	59	-4.9%
Other (incl. eliminations)	14	19	37.7%
<b>Cost of Sales</b>	<b>-292</b>	<b>-298</b>	<b>1.9%</b>
<b>Direct Margin</b>	<b>857</b>	<b>903</b>	<b>5.4%</b>
<i>Direct Margin %</i>	<i>74.6%</i>	<i>75.2%</i>	<i>0.6 p.p.</i>
<b>Expenses</b>	<b>-452</b>	<b>-479</b>	<b>6.0%</b>
Workforce expenses	-288	-300	4.3%
Non-Workforce expenses	-164	-178	8.9%
<b>EBITDA</b>	<b>405</b>	<b>424</b>	<b>4.7%</b>
<i>EBITDA Margin %</i>	<i>35.2%</i>	<i>35.3%</i>	<i>0.1 p.p.</i>

\* refers to total income

## 3.1 Residential Revenue

- Sustaining a solid customer increase for Mobile postpaid +29,000, and Internet +11,000.
- Convergent customer base grew by +17,000 in Q1, Convergent revenue accelerated to +10.9% YoY.
- Overall ARPC +5.7% YoY, benefiting from price indexations and convergent customer growth.
- Total Q1'24 residential revenue grew +5.9% YoY, including a +6.5% revenue increase for Customer Services revenue.

For the first quarter of 2024 Proximus posted for its Residential unit a revenue of **EUR 620 million, a +5.9% or EUR 34 million increase from the year before**. The key Residential revenue driver, Customer Services revenue, was up for the first quarter 2024 by +6.5%. The Services revenue was supported by price indexations with a “more for more” approach that was effective since July 1, 2023 and January 1, 2024 as well as by the ongoing customer growth, especially in the Convergent base. This resulted in a year-over-year increase of +10.9% in Convergent revenue. Revenue from Terminals for the first quarter was up by EUR 9 million year-on-year, driven by the take-up of high-end devices, as well as joint offer volumes.

The Residential unit sustained a strong commercial momentum, adding over the past 3 months +11,000 internet lines, stable to the comparable period in 2023. As such, the total Proximus Residential internet base totaled 1,794,000 lines, a +2.7% increase from 12 months back, supported by the expanding Proximus' Fiber footprint and the multi-brand approach.

Regarding Mobile, the Mobile Postpaid base grew by +29,000 cards in a competitive environment over the first quarter of 2024 supported by the company's multi-brand strategy and attractive joint offers. This compares to +9,000 Postpaid cards added for the same period in 2023. By end-March 2024,

Fiber and Mobile portfolio driving strong customer growth.

Proximus' Residential Mobile Postpaid base reached a total of 2,884,000 cards, a +5.7% year-on-year increase.

The Fixed Voice line declined following the continued trend over the past years, reflecting the change in customer needs resulting in a mitigated net loss of -29,000 lines.

Customer services revenue growth of +6.5% YoY.

**Residential Customer Services<sup>5</sup> revenue amounted to EUR 490 million, +6.5% above the comparable period in 2023.**

Overall ARPC EUR 57.5, +5.7%.

For the first quarter of 2024, the overall ARPC rose to EUR 57.5, up by +5.7% from the same period in 2023, resulting from the price indexations with a "more for more" approach coming on top of the ongoing benefit of customers moving to convergent offers at higher ARPC. Despite the success of 2P-offers, combining internet and mobile, the overall RGU per customer remained stable at 2.51.

Total convergent revenue +10.9% YoY, with ARPC +4.2%.

The first quarter revenue from Convergent customers increased by +10.9% year-on-year reaching EUR 304 million. Proximus grew its convergent base by +17,000 customers, reaching a total of 1,130,000 or +6.5% from 12 months back. The convergent ARPC was up by +4.2% to EUR 90.4 driven by price indexations and a growing fiber customer base.

Convergent 3-Play ARPC +6.1%, revenue +13.3% YoY.

Within the growing convergent revenue, the largest contributor is the ongoing increase in **3-Play convergent** revenue. The convergent 3-Play customer base increased over the first quarter of 2024 by +9,000 customers, bringing the total to 460,000 customers by end-March 2024, a year-on-year growth of +6.8%. This was combined with a +6.1% increase in the 3-Play convergent ARPC, mainly reflecting the July 2023 and January 2024 price indexations and growing fiber customer base. The increase in the customer base and ARPC drove the 3-Play convergent revenue +13.3% higher to reach EUR 125 million for the first quarter of 2024.

+17,000 Convergent 2-Play customers in Q1. ARPC +5.8%.

Following the success of **2-play** offers combining Mobile with Internet, the dual-play customer base continued to grow over the first quarter, adding: +17,000 customers. The customer growth combined with a +5.8% rise in ARPC led to a +65.5% revenue increase from the same period in 2023, to total EUR 31 million for the first quarter of 2024.

Convergent 4-Play revenue up 2.1%. Customer decrease offset by higher ARPC.

The success of 3-Play and 2-Play offers, marking the decreasing relevance of the Fixed Voice line and pressure on Digital TV due to streaming platforms, is reflected in the **4-Play** customer base, showing a steady decline of -8,000 customers for the first quarter of 2024. The 4-Play ARPC, supported by the increased pricing, was up by +6.0% to EUR 97.6. Overall, this resulted in an increase in 4-Play revenue of +2.1% to a total of EUR 148 million.

Rising convergence continued to lower the **Fixed-only** base, revenue impact limited.

With the number of customers subscribing to Proximus' convergent offers rising, the **Fixed-only customer base** decreased further. The remaining base of Fixed-only customers, 846,000 end-March 2024, generated an ARPC of EUR 49.1, +5.1% on the previous year driven by price indexations and fiber uptake. This value management mitigated the revenue decrease to -0.6% year-on-year to EUR 126 million.

Mobile-only revenue +1.3% with ARPC up on 'more-for-more' pricing.

Over the first quarter of 2024, the Residential unit posted EUR 60 million revenue from **Mobile-only customers, up by +1.3%**. The total base of Mobile-only customers was down by -3,000 over the first quarter of the year due to the success of the convergent offers. All brands combined, the residential Mobile-only base totaled 865,000 customers, generating an ARPC of EUR 23.1, +1.1% year-on-year, with the more-for-more Mobile portfolio change in May 2023 still providing some support, along with a slight RGU increase of 0.8% to 1.15.

In addition to the above-described revenue from Residential Customer Services, the Residential unit revenue also includes revenue from Terminals, Mobile Prepaid, its Luxembourg telecom business and Other revenue.

<sup>5</sup> This is revenue generated by customers subscribing to Proximus' Residential different product lines, also referred to X-Play revenue.



**Terminals revenue**  
EUR +9 million YoY.

First quarter **revenue from Terminals** totaled EUR 76 million, up by EUR +9 million from the comparable period in 2023. The increase was driven by the take-up of high-end devices, as well higher-value joint-offers.

Over the first quarter of 2024, revenue from **Mobile Prepaid** totaled EUR 7 million, -17.1% year-on-year. The Prepaid base decreased by -27,000 cards over the first quarter, with the total at 505,000 end-March 2024.

**Proximus' Luxembourg telecom revenue** for the residential unit totaled EUR 33 million for the first quarter 2024, stable year-over-year.

Proximus Residential posted **Other revenue of EUR 10 million** mainly covering reminder, reconnection and installation fees.

Table 12: Residential revenue

(EUR million)	1st Quarter		
	2023	2024	% Change
<b>Revenue</b>	<b>585</b>	<b>620</b>	<b>5.9%</b>
<b>Other Operating Income</b>	<b>5</b>	<b>5</b>	<b>-11.7%</b>
<b>Net Revenue</b>	<b>580</b>	<b>615</b>	<b>6.0%</b>
Customer services revenues (X-play)	460	490	6.5%
Prepaid	9	7	-17.1%
Terminals (fixed and mobile)	67	76	13.5%
Luxembourg Telco	33	33	0.1%
Others*	12	10	-19.4%

\* relates to other products and non-recurring/non customer related revenues (e.g. decoder penalties, TV Enterprise, web advertising, ...)

Table 13: Residential operational by product

	1st Quarter		
	2023	2024	% Change
<b>Park (000's)</b>			
Fixed voice lines	1,104	1,009	-8.6%
Broadband lines	1,746	1,794	2.7%
Mobile postpaid cards excl. M2M	2,729	2,884	5.7%
Mobile prepaid cards	589	505	-14.2%
<b>Net adds (000's)</b>			
Fixed voice lines	-32	-29	
Broadband lines	11	11	
Mobile postpaid cards excl. M2M	9	29	
Mobile prepaid cards	-15	-27	

Table 14: Residential X-Play financials

	1st Quarter		
	2023	2024	% Change
<b>Customer Services Revenues (EUR million)</b>	<b>460</b>	<b>490</b>	<b>6.5%</b>
<b>Convergent</b>	<b>274</b>	<b>304</b>	<b>10.9%</b>
4-Play	145	148	2.1%
3-Play	111	125	13.3%
2-Play	18	31	65.5%
<b>Fixed only</b>	<b>126</b>	<b>126</b>	<b>-0.6%</b>
3-Play	57	54	-5.3%
2-Play	39	39	-1.1%
1P Fixed Voice	10	9	-9.2%
1P internet	20	24	18.2%
<b>Mobile Postpaid only</b>	<b>59</b>	<b>60</b>	<b>1.3%</b>
<b>ARPC (in EUR)</b>	<b>54.4</b>	<b>57.5</b>	<b>5.7%</b>
<b>Convergent</b>	<b>86.7</b>	<b>90.4</b>	<b>4.2%</b>
4-Play	92.1	97.6	6.0%
3-Play	86.3	91.5	6.1%
2-Play	60.8	64.3	5.8%
<b>Fixed only</b>	<b>46.7</b>	<b>49.1</b>	<b>5.1%</b>
3-Play	56.1	59.1	5.2%
2-Play	55.7	61.4	10.3%
1P Fixed Voice	29.0	31.8	9.7%
1P internet	31.6	32.8	3.8%
<b>Mobile Postpaid only</b>	<b>22.8</b>	<b>23.1</b>	<b>1.1%</b>

Table 15: Residential X-Play operational

	1st Quarter		
	2023	2024	% Change
<b>Customers - Total (000's)</b>	<b>2,815</b>	<b>2,842</b>	<b>1.0%</b>
<b>Convergent</b>	<b>1,061</b>	<b>1,130</b>	<b>6.5%</b>
4-Play	523	503	-3.8%
3-Play	431	460	6.8%
2-Play	108	167	54.7%
<b>Fixed only</b>	<b>896</b>	<b>846</b>	<b>-5.5%</b>
3-Play	332	299	-9.9%
2-Play	232	207	-10.6%
1P Fixed Voice	114	94	-17.1%
1P internet	217	246	12.9%
<b>Mobile Postpaid only</b>	<b>858</b>	<b>865</b>	<b>0.9%</b>
<b>% Convergent Customers - Total *</b>	<b>65%</b>	<b>69%</b>	<b>3.8 p.p.</b>
<b>Average #RGUs per Customer - Total</b>	<b>2.51</b>	<b>2.51</b>	<b>0.1%</b>
<b>Convergent</b>	<b>4.06</b>	<b>3.99</b>	<b>-1.7%</b>
4-Play	4.71	4.74	0.6%
3-Play	3.69	3.72	0.8%
2-Play	2.33	2.43	4.3%
<b>Fixed only</b>	<b>1.98</b>	<b>1.93</b>	<b>-2.6%</b>
3-Play	3.00	3.00	0.0%
2-Play	1.96	1.96	-0.3%
1P Fixed Voice	1.01	1.01	0.0%
1P internet	1.00	1.00	0.0%
<b>Mobile Postpaid only</b>	<b>1.14</b>	<b>1.15</b>	<b>0.8%</b>
<b>Annualized full churn rate (Customer) - Total</b>	<b>16.2%</b>	<b>16.4%</b>	<b>0.2 p.p.</b>
4-Play	6.8%	7.7%	0.9 p.p.
3-Play	11.1%	11.4%	0.2 p.p.
2-Play	16.2%	15.4%	-0.8 p.p.
1-Play	23.5%	23.5%	-0.1 p.p.

\* (i.e., % of Customers having Mobile + Fixed component)

## 3.2 Business Revenue

- Business posts Q1'24 revenue of EUR 502 million, +3.1% YoY, with Services revenue up +2.7% and Products up +4.5% driven by IT Products.
- IT Services revenue growth remained strong, with +7.8% for the first quarter of 2024.
- Fixed Data revenue grew +5.5% YoY through price indexations and increasing fiber uptake.
- Mobile revenue grew +0.3% YoY, with a stable customer base.
- Managing Fixed Voice revenue decline, -5.6% YoY, supported by value management with a growing ARPU for 4 consecutive quarters.

The first-quarter 2024 revenue of the Business unit totaled EUR 502 million, a +3.1% increase from the 2023 comparable basis. Revenue from Business Services totaled EUR 411 million, continuing its growth trajectory with +2.7% year-on-year growth for the first quarter 2024. Erosion in Fixed Voice revenue was more than compensated for by higher revenue from Fixed Data and IT Services. IT Products revenue was up by +7.7% or EUR 5 million.

The revenue from Business Fixed Data Services totaled EUR 125 million for the first-quarter 2024, sustaining its strong growth trend with +5.5% increase year-on-year.

Within the Fixed Data revenue mix, the revenue growth was mainly driven by continued strong revenue growth from Internet Services. This resulted from a progressing Broadband ARPU, EUR 48.5 for the first-quarter 2024, +6.6% up from the previous year, mainly benefitting from the price indexations, improved price tiering and a growing share of Fiber in the total internet park. The Business Internet base grew slightly compared to the previous quarter, to 441,000 lines.

Besides growing Internet revenue, Data connectivity revenue was up year-on-year as well. The growing Fiber park and price indexations supported Proximus' Explore Solutions. SDWAN uptake continued to increase during the first quarter of the year.

Over the first-quarter 2024, Proximus' Business unit posted Mobile Services revenue of EUR 118 million, up +0.3% year-on-year, supported by an increase in A2P messaging. The Mobile customer base was stable year-on-year, with the total standing at 1,797,000 cards, excluding M2M and despite an impact of -12,000 cards (at low ARPU compared to the average of the park) related to the loss of the contract with the Flemish Government. The first quarter ARPU of EUR 19.2 was slightly down by -0.4% year-on-year, due to the price indexations being offset by lower out of bundle following the new "more for more" mobile portfolio offerings.

The Business unit continued to grow its M2M park with an additional 21,000 M2M cards activated over the past three months. At end-March 2024, Proximus' M2M base totaled 4,245,000 cards. This is an increase of +4.8% from one year back.

Fixed Voice revenue decline was mitigated to -5.6% year-on-year or EUR -4 million compared to the first quarter of 2023. The Fixed Voice park continued its steady decrease, -9.3% year-on-year, including a line loss of -15,000 for the first-quarter 2024. The ARPU was up +2.8% at EUR 28.9 benefiting from price indexations.

Proximus' Business unit posted for its IT Services revenue of EUR 107 million, +7.8% compared to the previous year. This was led by Smart Network, Cloud, Security and Smart Mobility. Proximus continued its transformation towards increasing Recurring Managed Services which have inherently higher margins.

The revenue from Products for the first quarter of 2024 was up by EUR 4 million from the comparable period in 2023, or +4.5%. This growth is fully driven by IT Products, up +7.7% from the first quarter of 2023, while Terminals revenue was down -6.0% compared to the same period.

Fixed Data revenue +5.5%.

Internet ARPU +6.6%, Internet base +0.6% YoY.

Mobile revenue +0.3% YoY.

Over 4.2 million active M2M cards.

Mitigated Fixed Voice revenue decline.

IT Services revenue +7.8%.

Products revenue EUR +4 million YoY.

Table 16: Business revenue

(EUR million)	1st Quarter		
	2023	2024	% Change
<b>Revenue</b>	<b>487</b>	<b>502</b>	<b>3.1%</b>
<b>Other Operating Income</b>	<b>2</b>	<b>2</b>	<b>30.5%</b>
<b>Net Revenue</b>	<b>485</b>	<b>500</b>	<b>3.0%</b>
Services	400	411	2.7%
Fixed Voice	66	62	-5.6%
Fixed Data	118	125	5.5%
Mobile	117	118	0.3%
IT	99	107	7.8%
Products	79	83	4.5%
Terminals (fixed and mobile)	19	18	-6.0%
IT	61	65	7.7%
Luxembourg Telco	6	6	4.0%

Table 17: Business operational

	1st Quarter		
	2023	2024	% Change
<b>Park (000's)</b>			
Fixed voice lines	607	551	-9.3%
Broadband lines	438	441	0.6%
Mobile postpaid cards excl. M2M	1,797	1,797	0.0%
M2M cards	4,053	4,245	4.8%
<b>Net adds (000's)</b>			
Fixed voice lines	-20	-15	
Broadband lines	0	1	
Mobile postpaid cards excl. M2M	0	-11	
M2M cards	92	21	
<b>ARPU (EUR)</b>			
Fixed voice	28.1	28.9	2.8%
Broadband	45.4	48.5	6.6%
Mobile postpaid	19.3	19.2	-0.4%

### 3.3 Wholesale Revenue

Table 18: Wholesale revenue

(EUR million)	1st Quarter		
	2023	2024	% Change
Revenue	62	59	-4.9%
Other Operating Income	0	0	nr
Net Revenue	62	59	-4.9%
Fixed & Mobile wholesale services	32	35	10.2%
Interconnect	30	24	-20.9%

Proximus posted for its Wholesale unit a first quarter 2024 **revenue of EUR 59 million**. This is a decrease by **-4.9% or EUR -3 million** compared to the same period of 2023, driven by low-margin interconnect revenue.

Revenue generated by **Fixed and Mobile wholesale services** increased from the previous year by +10.2% on a low comparable base<sup>6</sup>, totaling EUR 35 million mostly driven by Joint Ventures Services revenue and increased roaming volume.

For the first quarter of 2024, **Interconnect revenue totaled EUR 24 million** a **-20.9%** or EUR -6 million decrease compared to the same period of 2023, with no meaningful margin impact. The year-on-year revenue decline reflects the ongoing decrease in traditional messaging and the EU regulation impact, with Mobile Termination rates brought further down as from January 1, 2024.

### 3.4 Domestic OpEx and EBITDA

For its Domestic operations, Proximus posted an **EBITDA of EUR 424 million** for the first quarter of 2024 **+4.7%** from the comparable period in 2023, resulting from strong Domestic direct margin.

The first quarter **Domestic operating expenses totaled EUR 479 million, +6.0%** compared to the first quarter of 2023. The year-on-year rise was mainly driven by inflationary cost increases, including the effect of the 1 December 2023 inflation-based salary indexation, as well other inflationary effects. Moreover, the strong commercial performance led to higher customer-related costs. This was partially offset by efficiencies achieved through the company's wider cost reduction program.

<sup>6</sup> First quarter 2023 included a Group neutral negative one-off

## 4 International

- International revenue -10.3% YoY, direct margin up +0.6%, or +0.7% on constant currency.
- Direct margin 29.8% of revenue, year-on-year up by 3.2pp.
- Communications & Data services grew direct margin by +0.9% YoY to EUR 65 million.
- P2P Voice & Messaging direct margin stable year-on-year at EUR 30 million.
- OpEx down by -2.8% year-on-year to EUR 64 million.
- International EBITDA posted a strong EUR 30 million, up +8.6%.

Table 19: International P&L

(EUR million)	1st Quarter		
	2023	2024	% Change
<b>International Revenues*</b>	<b>353</b>	<b>316</b>	<b>-10.3%</b>
Communications & Data	219	197	-9.9%
P2P Voice & Messaging	163	138	-15.5%
International eliminations	-29	-19	36.3%
<b>International Costs of Sales</b>	<b>-259</b>	<b>-222</b>	<b>-14.2%</b>
<b>International Direct Margin</b>	<b>94</b>	<b>94</b>	<b>0.6%</b>
Communications & Data	64	65	0.9%
P2P Voice & Messaging	30	30	-0.8%
International eliminations	-1	-1	21.0%
<i>International Direct Margin %</i>	<i>26.6%</i>	<i>29.8%</i>	<i>3.2 p.p.</i>
<b>International Expenses</b>	<b>-66</b>	<b>-64</b>	<b>-2.8%</b>
Workforce Expenses	-43	-43	-0.9%
Non-Workforce Expenses	-23	-22	-6.2%
<b>International EBITDA</b>	<b>28</b>	<b>30</b>	<b>8.6%</b>
<i>International EBITDA Margin %</i>	<i>7.8%</i>	<i>9.5%</i>	<i>1.6 p.p.</i>

\* Refers to total income

For its international segment, through its two brands BICS and Telesign, Proximus posted a slightly increasing Direct Margin, up +0.6% to EUR 94 million, or +0.7% on constant currency. This was achieved in spite of International revenue decreasing by -10.3% (-10.2% at constant currency) to EUR 316 million<sup>7</sup>, mainly on the account of lower margin services. Overall, the International direct margin as percentage of revenue improved year-on-year by 3.2pp to 29.8%.

For the product group Communications & Data services<sup>8</sup>, consisting of CPaaS, Digital Identity and Mobility services, Proximus' International segment posted EUR 197 million revenue in the first quarter of 2024, a year-on-year decrease by -9.9% or EUR -22 million. This was mainly related to lower margin products, therefore the direct margin grew year-on-year by +0.9%. The direct margin as percentage of revenue for the first quarter of 2024 was 32.9% for Communications & Data Services, up by 3.5pp from the comparable period in 2023.

CPaaS revenue was impacted by lower SMS volumes, triggered by continued cost reduction efforts by large digital customers, and the shift in the market towards alternative (OTT) channels. This transition is especially visible in countries with high sms-termination costs, driving a stronger impact on revenues versus direct margin. CPaaS Omnichannel (including OTT messaging and Voice) is a growing segment, supporting the margin

<sup>7</sup> Net of intersegment revenue

<sup>8</sup> See the definition list in section 6 for a detailed description of the products.

expansion of the business. Moreover, the first quarter 2024 absolute direct margin and margin profile benefitted from the healthy volume growth in Digital Identity and Mobility services.

For the product group **P2P Voice & Messaging** services, consisting of Voice, capacity and P2P messaging, Proximus' International segment **posted EUR 138 million revenue**, down -15.5% or EUR -25 million from the same period last year. This decrease was driven by International Voice products, due to the rollout of VoLTE in roaming by Mobile operators, accelerating the Voice volume erosion, and due to a less favorable destination mix. Compared to one year ago, a specific country generated high revenue yet with negligible margin contribution. The P2P Voice & Messaging margin was supported in the first quarter 2024 by the timing of Telecom operator settlements. Overall P2P Voice & Messaging direct margin remained stable year-on-year, with direct margin as percentage of revenue improving by 3.2pp to 21.9%.

The first quarter 2024 **OpEx was down year-on-year by EUR 2 million or -2.8%**, benefiting from lower non-workforce costs, while workforce OpEx stabilized. With International direct margin growing and OpEx decreasing, the **International segment posted an EBITDA of EUR 30 million (+8.6% YoY)** for the first quarter of 2024.



## 5 Consolidated Financial Statements

The condensed consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted for use in the European Union. They have not been subject to a review by an independent auditor.

### 5.1 Accounting policies

The accounting policies and methods of the Group used as of 2024 are consistent with those applied in the December 31, 2023, consolidated financial statements, with the exception that:

- The Group applied the new standards, interpretations and revisions that became mandatory for the Group on January 1, 2024. These have no impact on the Group's financial statements.
- The Group changed its reporting segmentation, as explained below.

Proximus Group is currently in the process of acquiring an interest in Route Mobile (see § 5.3), a global company specialized in CPaaS services, listed on NSE and BSE in India. The new group structure necessitated a redesign of Proximus Group's internal decision-making process, governance and management reporting to effectively allocate resources and assess the performance of operating segments.

Proximus Group implemented during the period a 2-pillar governance structure through the establishment of a new executive committee, known as 'International Management Committee', acting next to the 'Domestic Management Committee' that focuses on the domestic operations. This international committee has been created to facilitate key decisions and ensure alignment between the international affiliates, including BICS, Telesign, and, following its acquisition, RouteMobile. The introduction of this new executive international management committee provides a clear point of accountability and coordination, as well as a stronger voice in group decision making for international business.

Segmental information used for internal decision-making and facilitating performance assessment by the Chief Operating Decision Maker ("CODM") is provided at the level of Domestic and International.

The International segment combines the previously separate BICS and Telesign segments aligning them with their management and future trajectory.

As a result, Proximus Group has identified a single reporting segment, namely 'International', for international affiliates which streamlines reporting and enhances ability to effectively manage and monitor the performance of international operations. Domestic reporting segment remains unchanged compared to the previous reporting period.

### 5.2 Judgements and estimates

The Group does not make any significant judgments and estimates other than those mentioned under Note 2 in the December 31, 2023, consolidated financial statements, and other than those mentioned below in this report.

### 5.3 Significant events or transactions in 2024

#### New bond

On March 20, 2024, Proximus issued an EUR 700 million bond that carries an annual fixed coupon of 3.75% with a 10-year maturity due March 27, 2034. The issue is rated BBB+ by S&P and A2 by Moody's, in line with the long-term credit rating of Proximus.

## Acquisition Route Mobile

Proximus Opal, a 100% wholly owned subsidiary Proximus Group, signed on July 17, 2023, a definitive agreement to acquire for a consideration of ~EUR 643.0 million a ~58% interest in Route Mobile, a global company specialized in CPaaS services, listed on NSE and BSE in India with a market capitalization of EUR 1.1 billion. As part of the agreement, some of the founding shareholders of Route Mobile will reinvest ~EUR 299.6 million in a minority stake in Proximus Opal holding 100% of Telesign, Proximus' US-based affiliate. By combining Route Mobile and Telesign, Proximus Group is paving the way to become one of the worldwide leaders in the fields of digital communications (CPaaS) and digital identity.

Pursuant to the Indian regulations, Proximus Opal launched on 27 March 2024 a mandatory takeover offer ("MTO") to acquire up to 26% of the total outstanding shares of Route Mobile. The MTO closed on 12 April 2024, with 15.768.803 shares, representing c.25% of the total, tendered. After the validation process the final outcome of the MTO will be disclosed, expected in May 2024.

## 5.4 Consolidated income statement

(EUR million)	1st Quarter		
	2023	2024	% Change
Net revenue	1,474	1,492	1.2%
Other operating income	12	12	-2.1%
<b>Total income</b>	<b>1,486</b>	<b>1,504</b>	<b>1.2%</b>
Costs of materials and services related to revenue	-539	-509	-5.6%
Workforce expenses	-334	-349	4.5%
Non-Workforce expenses	-169	-181	7.6%
<b>Total operating expenses before depreciation &amp; amortization</b>	<b>-1,041</b>	<b>-1,039</b>	<b>-0.2%</b>
<b>Operating income before depreciation &amp; amortization</b>	<b>445</b>	<b>465</b>	<b>4.4%</b>
Depreciation and amortization	-292	-301	3.1%
<b>Operating income</b>	<b>153</b>	<b>164</b>	<b>7.1%</b>
Finance income	1	9	>100%
Finance costs	-28	-41	47.1%
<b>Net finance costs</b>	<b>-26</b>	<b>-32</b>	<b>21.5%</b>
Share of loss on associates and JV	-5	-3	-44.9%
<b>Income before taxes</b>	<b>123</b>	<b>130</b>	<b>5.9%</b>
Tax expense	-28	-29	4.1%
<b>Net Income</b>	<b>94</b>	<b>101</b>	<b>6.5%</b>
Attributable to:			
Equity holders of the parent (Group share)	95	101	6.4%
Non-controlling interests	0	0	-31.6%
Basic earnings per share	0.29	0.31	6.4%
Diluted earnings per share	0.29	0.31	6.4%
Weighted average number of outstanding shares	322,405,062	322,535,130	0.0%
Weighted average number of outstanding shares for diluted earnings per share	322,405,062	322,535,130	0.0%

## 5.5 Consolidated statements of other comprehensive income

(EUR million)	1st Quarter	
	2023	2024
<b>Net income</b>	<b>94</b>	<b>94</b>
<b>Other comprehensive income:</b>		
<b>Items that may be reclassified to profit and loss:</b>		
Exchange differences on translation of foreign operations	-3	2
Cash flow hedges:		
Gain/(Loss) taken to equity	-13	19
Transfer to profit or loss for the period	0	-3
<b>Total before related tax effects</b>	<b>-16</b>	<b>18</b>
<b>Related tax effects</b>		
Cash flow hedges:		
Gain/(Loss) taken to equity	3	-5
Transfer to profit or loss for the period	0	1
<b>Income tax relating to items that may be reclassified</b>	<b>3</b>	<b>-4</b>
<b>Total of items that may be reclassified to profit and loss, net of related tax effects</b>	<b>-13</b>	<b>14</b>
<b>Items that will not be reclassified to profit and loss:</b>		
Remeasurement of net defined benefit obligations	0	0
<b>Total before related tax effects</b>	<b>0</b>	<b>0</b>
<b>Related tax effects</b>		
Remeasurement of defined benefit obligations	0	0
<b>Income tax relating to items that will not be reclassified</b>	<b>0</b>	<b>0</b>
<b>Total of items that will not be reclassified to profit and loss, net of related tax effects</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>	<b>82</b>	<b>109</b>
<b>Attributable to:</b>		
Equity holders of the parent	82	115

## 5.6 Consolidated balance sheet

(EUR million)	As of 31 December	As of 31 March
	2023	2024
<b>ASSETS</b>		
<b>Non-current assets</b>	<b>8,932</b>	<b>8,952</b>
Goodwill	2,592	2,594
Intangible assets with finite useful life	1,702	1,683
Tangible assets: Property, plant and equipment	3,834	3,873
Right-of-use asset	307	313
Lease receivable	10	10
Contract costs	111	108
Investments in associates and JV	90	87
Equity investments measured at fair value	3	3
Deferred income tax assets	4	4
Pension assets	187	185
Other non-current assets	92	92
<b>Current assets</b>	<b>2,220</b>	<b>2,965</b>
Inventories	159	185
Trade receivables	866	966
Contract assets	167	175
Current tax assets	12	4
Other current assets	202	261
Cash and cash equivalents	716	1,276
Assets classified as held for sale	99	99
<b>TOTAL ASSETS</b>	<b>11,153</b>	<b>11,917</b>
<b>LIABILITIES AND EQUITY</b>		
<b>Equity</b>	<b>3,300</b>	<b>3,413</b>
Shareholders' equity attributable to the parent	3,300	3,413
<b>Non-current liabilities</b>	<b>4,794</b>	<b>5,477</b>
Interest-bearing liabilities	3,308	4,000
Lease liabilities	210	212
Liability for pensions, other post-employment benefits and termination benefits	337	334
Provisions	137	137
Deferred income tax liabilities	197	200
Other non current payables non-interest-bearing	45	34
Other non current payables interest-bearing	559	559
<b>Current liabilities</b>	<b>3,059</b>	<b>3,028</b>
Interest-bearing liabilities	611	610
Lease liabilities	88	89
Liability for pensions, other post-employment benefits and termination benefits	40	39
Trade payables	1,433	1,333
Contract liabilities	126	132
Tax payables	58	87
Other current payables non-interest-bearing	666	702
Other current payables interest-bearing	37	37
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>11,153</b>	<b>11,917</b>

## 5.7 Consolidated cash flow statement

(EUR million)	1st Quarter		
	2023	2024	% Change
<b>Cash flow from operating activities:</b>			
<b>Net income</b>	94	101	6.5%
Depreciation and amortization	292	301	3.1%
Net finance costs	26	32	21.5%
Tax expense	28	29	4.1%
Share of loss on associates and JV	5	3	-44.9%
<b>Ebitda</b>	<b>445</b>	<b>465</b>	<b>4.4%</b>
<b>Adjustments for non-cash items in Ebitda</b>	<b>0</b>	<b>0</b>	<b>&gt;100%</b>
<b>(Decrease)/increase in working capital</b> (net of interests, income tax, acquisitions/disposals of subsidiaries)	<b>-68</b>	<b>-145</b>	<b>&gt;100%</b>
Decrease/(increase) in inventories	-14	-26	79.3%
Decrease/(increase) in trade receivables	17	-92	<-100%
(Decrease)/increase in trade payables	23	-33	<-100%
Decrease/(increase) in other assets	-73	-52	-29.2%
Decrease/(increase) in other liabilities	-12	62	>100%
(Decrease)/increase in net liability for pensions, other post-employment benefits and termination benefits	-9	-4	-52.8%
<b>Interests paid/received &amp; Other financial cash outflows</b>	<b>-26</b>	<b>-26</b>	<b>0.0%</b>
Interests received	4	4	-18.9%
Interests paid	-28	-28	1.7%
Other financial cash outflows	-3	-1	-46.9%
<b>Income Tax paid</b>	<b>-3</b>	<b>1</b>	<b>&gt;100%</b>
<b>A. Net cash flow from operating activities</b>	<b>348</b>	<b>295</b>	<b>-15.1%</b>
<b>Cash flow from investing activities:</b>			
Cash paid for acquisitions of intangible assets and property, plant and equipment	-426	-395	-7.3%
Cash paid for acquisitions of, and loan granted to other participating interests	0	-1	<-100%
Cash paid for acquisition of consolidated companies, net of cash acquired	0	-1	-
Cash received from sales of intangible assets, property, plant and equipment and other non current assets	1	0	<-100%
<b>B. Net cash flow from investing activities</b>	<b>-425</b>	<b>-396</b>	<b>-6.8%</b>
<b>Cash flow before financing activities (A. + B.)</b>	<b>-77</b>	<b>-101</b>	<b>31.0%</b>
<b>C.1 Lease payments (excl. interests paid)</b>	<b>-22</b>	<b>-28</b>	<b>23.5%</b>
<b>Free cash flow (A. + B. + C.1)</b>	<b>-99</b>	<b>-128</b>	<b>29.3%</b>
<b>Cash flow from financing activities other than lease payments:</b>			
Net sale/(purchase) of treasury shares	0	-2	<-100%
Cash received/(paid) for matured cash flow hedge instrument related to long term debt	20	0	<-100%
Asset financing arrangements repayment	-2	-2	-2.8%
Debt issuance (1)	495	694	40.3%
Issuance/(repayment) of short term debt	-475	-1	-99.7%
<b>C.2 Net cash flow from financing activities (other than lease payments)</b>	<b>37</b>	<b>688</b>	<b>&gt;100%</b>
<b>D. Exchange rate impact</b>	<b>0</b>	<b>1</b>	<b>&gt;100%</b>
<b>Net increase/(decrease) of cash and cash equivalents (A + B + C.1 + C.2 + D)</b>	<b>-63</b>	<b>561</b>	<b>&gt;100%</b>
Cash and cash equivalents at 1 January	299	716	>100%
Cash and cash equivalents at the end of the period	236	1,276	>100%

(1) Debt includes non-current and current debts

## 5.8 Consolidated statements of changes in equity

(EUR million)	Issued capital	Treasury shares	Restricted reserve	Equity instruments and hedge reserve	Other remeasurement reserve	Foreign currency translation	Stock Compensation	Retained Earnings	Shareholder's Equity	Non-controlling interests	Total Equity
Balance as at 1 January 2023	1,000	-425	100	147	4	16	0	2,465	3,307	1	3,308
Total comprehensive income	0	0	0	-10	0	-3	0	95	82	0	82
Treasury shares											
Sale of treasury shares	0	2	0	0	0	0	0	-2	0	0	0
Total transactions with equity holders	0	2	0	0	0	0	0	-2	0	0	0
Balance as at 31 March 2023	1,000	-423	100	137	4	13	0	2,558	3,389	0	3,390
Balance as at 1 January 2024	1,000	-419	100	134	42	11	0	2,432	3,300	0	3,300
Total comprehensive income	0	0	0	12	0	2	0	101	115	0	115
Treasury shares											
Sale of treasury shares	0	-2	0	0	0	0	0	0	-2	0	-2
Total transactions with equity holders	0	-2	0	0	0	0	0	0	-2	0	-2
Balance as at 31 March 2024	1,000	-421	100	146	42	13	0	2,532	3,413	0	3,413

## 5.9 Segment reporting

Due to the recent change in segment reporting (see § 5.1), restatements of financial information of this note are in alignment with the new segment reporting structure.

YTD 1st Quarter 2024							
(EUR million)	Proximus Group				Underlying by segment		
	Reported (IFRS 16)	Lease depreciation and interest	Incidental	Underlying	International	Domestic	Eliminations
Net revenue	1,492	0	0	1,492	316	1,187	-12
Other operating income	12	0	0	12	0	13	-2
<b>Total income</b>	<b>1,504</b>	<b>0</b>	<b>0</b>	<b>1,504</b>	<b>316</b>	<b>1,201</b>	<b>-13</b>
Costs of materials and services related to revenue	-509	0	0	-509	-222	-298	11
<b>Direct margin</b>	<b>995</b>	<b>0</b>	<b>0</b>	<b>994</b>	<b>94</b>	<b>903</b>	<b>-2</b>
Workforce expenses	-349	0	6	-342	-43	-300	1
Non-Workforce expenses	-181	-25	8	-198	-22	-178	2
<b>Total other operating expenses</b>	<b>-530</b>	<b>-25</b>	<b>14</b>	<b>-541</b>	<b>-64</b>	<b>-479</b>	<b>2</b>
<b>Operating income before depreciation &amp; amortization</b>	<b>465</b>	<b>-26</b>	<b>14</b>	<b>454</b>	<b>30</b>	<b>424</b>	<b>0</b>
Depreciation and amortization	-301	0	0	-301	-16	-285	0
<b>Operating income</b>	<b>164</b>	<b>-26</b>	<b>14</b>	<b>153</b>	<b>14</b>	<b>139</b>	<b>0</b>
Net finance costs	-32						
Share of loss on associates	-3						
<b>Income before taxes</b>	<b>130</b>						
Tax expense	-29						
<b>Net income</b>	<b>101</b>						
Attributable to:	<b>0</b>						
Equity holders of the parent (Group share)	101						
Non-controlling interests	0						

YTD 1st Quarter 2023 (restated)

(EUR million)	Proximus Group				Underlying by segment		
	Reported (IFRS 16)	Lease depreciation and interest	Incidental	Underlying	International	Domestic	Eliminations
Net revenue	1,474	0	0	1,474	352	1,135	-13
Other operating income	12	0	0	12	1	14	-2
<b>Total income</b>	<b>1,486</b>	<b>0</b>	<b>0</b>	<b>1,486</b>	<b>353</b>	<b>1,149</b>	<b>-15</b>
Costs of materials and services related to revenue	-539	0	0	-539	-259	-292	12
<b>Direct margin</b>	<b>947</b>	<b>0</b>	<b>0</b>	<b>947</b>	<b>94</b>	<b>857</b>	<b>-3</b>
Workforce expenses	-334	0	4	-330	-43	-288	1
Non-Workforce expenses	-169	-20	4	-185	-23	-164	2
<b>Total other operating expenses</b>	<b>-502</b>	<b>-20</b>	<b>8</b>	<b>-515</b>	<b>-66</b>	<b>-452</b>	<b>3</b>
<b>Operating income before depreciation &amp; amortization</b>	<b>445</b>	<b>-21</b>	<b>8</b>	<b>432</b>	<b>28</b>	<b>405</b>	<b>0</b>
Depreciation and amortization	-292	0	0	-292	-15	-277	0
<b>Operating income</b>	<b>153</b>	<b>-21</b>	<b>8</b>	<b>141</b>	<b>13</b>	<b>128</b>	<b>0</b>
Net finance costs	-26						
Share of loss on associates	-5						
<b>Income before taxes</b>	<b>123</b>						
Tax expense	-28						
<b>Net income</b>	<b>94</b>						
Attributable to:	0						
Equity holders of the parent (Group share)	95						
Non-controlling interests	0						



## 5.10 Disaggregation of net revenue

Due to the recent change in segment reporting (see § 5.1), restatements of financial information of this note are in alignment with the new segment reporting structure.

(EUR million)	As of 31 March	
	2023	2024
<b>Domestic</b>		
Residential		
	Customer services revenues (X-play) (1)	460
	Prepaid	9
	Terminals (2)	67
	Lux Telco (3)	33
	Other	12
	<i>Total Residential</i>	<i>580</i>
Business		
	Services (4)	400
	Products (5)	79
	Lux Telco (6)	6
	<i>Total Business</i>	<i>485</i>
Wholesale		
	Fixed & Mobile wholesale services	32
	Interconnect (7)	30
	<i>Total Wholesale</i>	<i>62</i>
Other		7
<b>Total Domestic</b>	<b>1,135</b>	<b>1,187</b>
Communications & Data (8)	218	197
P2P Voice & Messaging (9)	163	138
International eliminations	-29	-19
<b>Total International</b>	<b>352</b>	<b>316</b>
<b>Eliminations</b>	<b>-13</b>	<b>-12</b>
<b>Total Net Revenue</b>	<b>1,474</b>	<b>1,492</b>

(1) Customer services revenues (X-play): 'Play' is a subscription to either Fixed Voice, Fixed Internet, dTV or Mobile Postpaid (paying Mobile cards).

A 4-Play customer subscribes to all four services. 'X-Play' is the sum of single play (1-play) and multi-play (2-play + 3-play + 4-play).

(2) Terminals: corresponds to devices for Fixed Voice, Data, Mobile and related accessories. This excludes PABX, IT products and TV CPE.

(3) Luxembourg Telco: including Fixed & Mobile services, Terminals & Other

(4) Business Services: corresponds to Fixed Data, Fixed Voice, Mobile & IT

(5) Business Products: corresponds to Terminals & IT

(6) Wholesale Fixed & Mobile services includes all solutions that Proximus offers to other operators. These services include fixed internet and data connectivity services, fixed telephony and mobile (incl. MVNO and Roaming) services (excl. Interconnect)

(7) Wholesale Interconnect: the process of connecting an operator network with another operator network. This then allows the customers of one operator to communicate with the customers of another operator. Interconnect includes fixed voice, mobile voice and mobile SMS/MMS services.

(8) Communication & Data: CPAAS, DI, Mobility & Other Products

(9) P2P Voice & Messaging: Voice, Capacity, Other Legacy, P2P + Messaging

## 5.11 Group financing activities related to interest-bearing liabilities

(EUR million)	As at 31 December 2023	Cash flows issuance	Cash flows repayments	Non-cash changes	As of 31 March 2024
<b>Non-current</b>					
Unsubordinated debts	2,881	694	0	1	3,575
Credit institutions	400	0	0	0	400
Other loans	27	0	0	-2	25
Derivatives held for trading	3	0	0	3	5
<b>Current portion of amounts payable &gt; one year</b>					
Unsubordinated debentures	600	0	0	0	600
Credit institutions held to maturity	0	0	0	0	0
<b>Other current interest bearing liabilities</b>					
Credit institutions	1	0	0	0	1
Subordinated loan	0	0	0	0	0
Other loans	10	0	-2	2	9
Unsubordinated debts (bonds, notes)	0	0	0	0	0
Other loans	0	0	0	0	0
<b>Total liabilities from financing activities excluding lease liabilities</b>	<b>3,921</b>	<b>694</b>	<b>-3</b>	<b>4</b>	<b>4,616</b>
Lease liabilities current and non-current	298	0	-20	22	300
<b>Total liabilities from financing activities including lease liabilities</b>	<b>4,219</b>	<b>694</b>	<b>-23</b>	<b>26</b>	<b>4,916</b>

(EUR million)	As at 31 December 2022	Cash flows issuance	Cash flows repayments	Non-cash changes	As of 31 March 2023
<b>Non-current</b>					
Unsubordinated debentures	2,239	495	0	1	2,735
Credit institutions	400	0	0	0	400
Other loans	37	0	0	-2	34
Derivatives held for trading	1	0	0	0	1
<b>Current portion of amounts payable &gt; one year</b>					
Unsubordinated debentures	100	0	0	0	100
Credit institutions held to maturity	1	0	0	0	1
<b>Other current interest bearing liabilities</b>					
Credit institutions	0	1	0	0	1
Subordinated loan	0	0	0	0	0
Unsubordinated debts	477	0	-477	0	0
Other loans	10	0	-2	2	10
Other loans	0	0	0	0	0
<b>Total liabilities from financing activities excluding lease liabilities</b>	<b>3,265</b>	<b>496</b>	<b>-480</b>	<b>0</b>	<b>3,282</b>
Lease liabilities current and non current	272	0	-22	22	272
<b>Total liabilities from financing activities including lease liabilities</b>	<b>3,536</b>	<b>496</b>	<b>-501</b>	<b>22</b>	<b>3,553</b>

## 5.12 Financial instruments

### Valuation techniques

The Group holds financial instruments classified in Level 1, 2 and 3. Compared to December 2023, no changes in the valuation techniques occurred. None of these instruments were reclassified from one level to another.

### VPPA

The valuation of the power component of the VPPA (Virtual Power Purchase Agreement) is considered as a 'level 3' fair value. It is determined using a discounted cash flow model. The main factors determining the fair value of the VPPA agreement are the discount rates (level 2), the estimated electricity volume based on the historical power production of the windfarm (level 3) and the forward market prices of electricity (level 2 & level 3).

During the 1st Quarter of 2024, the remeasurement to fair of value of VPPA led to a cost of EUR 3 million.

### Financial instruments measured at fair value

The fair value of financial assets measured at fair value in the Proximus consolidated balance sheet increased by EUR 17 million compared with their fair value at December 2023. This increase is mainly due to the change in fair value of the hedge entered by the Group to cover the currency risk in relation to the acquisition of Route Mobile expected in the second quarter of 2024.

As of March 31, 2024, the carrying amounts of the other financial assets were not substantially different from their fair values.

The fair value of the non-current interest-bearing liabilities (EUR 4,345 million including their current portions) increased by EUR 658 million compared to their fair value at December 2023, essentially due to the issuance in March 2024 of a EUR 700 million bond (net proceed of EUR 694 million), the fair value of the other non-current interest-bearing liabilities being relatively stable to its December 2023 level.

## 5.13 Contingent liabilities and commitments

Compared to the 2023 consolidated financial statements, no significant change occurred in 2024 in the contingent liabilities and commitments other than those mentioned in this report.

## 5.14 Post balance sheet events

There are no post-balance sheet events.

## 5.15 Others

There has been no material change to the information disclosed in the 2023 annual consolidated financial statements in connection with related parties that would require disclosure under the Financial Reporting Framework.

## 6 Additional information

### 6.1 Rounding of figures

In general, all figures are rounded. Variances are calculated from the source data before rounding, and therefore some variances may not add up.

### 6.2 Reporting Changes

As explained in section 5.1. Accounting policies, the Proximus Group identified a single reporting segment, namely 'International', for its affiliates BICS and Telesign. The table below reflects the 2023 result of the Proximus International segment, included in the analyst factbook on the Proximus website.

#### International P&L (Underlying)

(EUR million)	Q123	Q223	Q323	Q423	2023
<b>International Revenues*</b>	<b>353</b>	<b>367</b>	<b>370</b>	<b>352</b>	<b>1,442</b>
Communications & Data	219	231	230	204	885
P2P Voice & Messaging	163	163	167	170	663
International eliminations	-29	-28	-28	-21	-107
<b>International Costs of materials and charges to revenues</b>	<b>-259</b>	<b>-271</b>	<b>-273</b>	<b>-257</b>	<b>-1,060</b>
<b>International Direct Margin</b>	<b>94</b>	<b>95</b>	<b>97</b>	<b>95</b>	<b>381</b>
Communications & Data	64	66	68	65	264
P2P Voice & Messaging	30	31	29	31	121
International eliminations	-1	-1	-1	-1	-4
<i>International Direct Margin %</i>	<i>26.6%</i>	<i>26.0%</i>	<i>26.3%</i>	<i>27.0%</i>	<i>26.5%</i>
<b>International Total expenses before D&amp;A</b>	<b>-66</b>	<b>-65</b>	<b>-62</b>	<b>-67</b>	<b>-260</b>
Workforce expenses	-43	-41	-41	-41	-166
Non-Workforce expenses	-23	-23	-22	-26	-94
<b>International EBITDA</b>	<b>28</b>	<b>30</b>	<b>35</b>	<b>29</b>	<b>121</b>
<i>International Ebitda Margin %</i>	<i>7.8%</i>	<i>8.3%</i>	<i>9.4%</i>	<i>8.1%</i>	<i>8.4%</i>

### 6.3 From Reported to Underlying

#### 6.3.1 From EBITDA Reported to EBITDA Underlying

(EUR million)	GROUP Revenue		GROUP EBITDA	
	1st Quarter		1st Quarter	
	2023	2024	2023	2024
<b>Reported</b>	<b>1,486</b>	<b>1,504</b>	<b>445</b>	<b>465</b>
Adjustments	0	0	-13	-11
<b>Underlying</b>	<b>1,486</b>	<b>1,504</b>	<b>432</b>	<b>454</b>
<b>Adjustments</b>	<b>0</b>	<b>0</b>	<b>-13</b>	<b>-11</b>
Lease Depreciations			-20	-23
Lease Interest			-1	-2
Transformation			4	6
Acquisitions, mergers and disposals			4	9
Litigation/regulation				-1

## 6.3.2 From Reported Free Cash Flow to Adjusted Free Cash Flow

(EUR million)	1st Quarter	
	2023	2024
<b>EBITDA Reported</b>	<b>445</b>	<b>465</b>
<i>Adjustments for incidental revenues and costs (1)</i>	8	14
<i>Adjustments for lease payments in operating activities (2)</i>	-20	-23
<i>Adjustments for lease interests in operating activities (3)</i>	-1	-2
<b>EBITDA Underlying</b>	<b>432</b>	<b>454</b>
(Decrease)/increase in business working capital	26	-151
(Decrease)/increase in working capital for taxes (other than income taxes)	-12	35
(Decrease)/increase in other working capital	-82	-29
Adjustments for non-cash items in EBITDA	0	0
<i>Adjustments for incidental revenues and costs (1)</i>	-8	-14
<i>Adjustments for M&amp;A (4)</i>	20	0
<i>Adjustments for M&amp;A related transaction costs (5)</i>	0	15
Interests paid/received & Other financial cash outflows	-26	-26
<i>Adjustments for lease interests in operating activities (3)</i>	1	2
Income Tax paid	-3	1
<b>A' Adjusted net cash flow from operating activities</b>	<b>349</b>	<b>287</b>
(Adjusted for lease payments & M&A related transaction costs)		
Cash paid for acquisitions of intangible assets and property, plant and equipment	-426	-395
Cash received from sales of intangible assets, property, plant and equipment and other non current assets	0	0
Cash paid for equity injections in fiber joint-ventures	0	0
Cash paid/received for other investing activities	1	-1
<i>Adjustments for M&amp;A (4)</i>	0	1
<b>B' Adjusted net cash flow from investing activities</b>	<b>-425</b>	<b>-395</b>
(Adjusted for M&A)		
C.1 Lease payments	-22	-28
<i>Adjustments for lease payments in operating activities (2)</i>	20	23
<b>C.1' Lease payments in financing activities</b>	<b>-3</b>	<b>-4</b>
<b>Adjusted Free cash flow (A' + B' + C.1')</b>	<b>-79</b>	<b>-112</b>
<i>Adjustments for M&amp;A (4)</i>	-20	-1
<i>Adjustments for M&amp;A related transaction costs (5)</i>	0	-15
<b>Free cash flow</b>	<b>-99</b>	<b>-128</b>

## 6.4 Definitions

**A2P:** Application to Person messages

**Adjusted Net Financial Position:** is the Net Financial Position from which lease liabilities are excluded.

**ARPC:** Average underlying revenue per (residential) customer.

**Adjusted Free Cash Flow:** FCF adjusted to exclude M&A transactions and M&A related transaction costs.

**Annualized full churn rate of X-play:** a cancellation of a customer is only taken into account when the customer cancels all its plays.

**ARPU:** Average Revenue per Unit.

**BICS:** 100% subsidiary of Proximus. Global voice carrier and leading provider of mobile data services worldwide. Providing global mobile connectivity, seamless roaming experiences, fraud prevention and authentication, global messaging and the Internet of Things.

**Business:** unit addressing the professional market including Corporates, Medium and Small Enterprises (including businesses with less than 10 employees).

**CapEx:** this corresponds to the acquisitions of intangible assets and property, plant and equipment, excluding Right of Use assets (leasing).

**Communications & Data:** One of the two main product groups within the International segment alongside "P2P Voice & Messaging". Communications & Data groups CPaaS, DI, Mobility, Cloud communications, and Internet of Things (IoT).

**Convergence rate:** convergent residential customers taking both Fixed and Mobile services of Proximus. The convergence rate refers to the percentage of convergent customers on the total of multi-play customers.

**Cost of Sales:** the costs of materials and charges directly related to revenues.

**CPaaS:** Communications Platform as a Service is a cloud-based delivery model that allows organizations to add real-time communications capabilities, such as voice, video and messaging, to business applications by deploying application program interfaces (APIs).

**Digital Identity** groups DI – Phone ID and DI – Score products.

**Direct margin:** the result of cost of sales subtracted from the revenues, expressed in absolute value or in % of revenues.

**Domestic:** segment defined as the Proximus Group excluding International and Eliminations.

**EBITDA:** Earnings Before Interest, Taxes, Depreciation and Amortization; corresponds to Revenue minus Cost of sales, workforce and non-workforce expenses.

**Adjustments (Revenue/EBITDA):**

- **The lease depreciations and interests in the Operating Expenses**, with the exception of leases that would qualify as finance leases on the basis of the criteria applied to a lessor under IFRS 16.
- **Transformation:** costs of employee transformation programs, the effect of settlements of post-employment benefit plans with impacts for the beneficiaries, or pre-identified material(\*) one-shot projects (such as rebranding costs)
- **Acquisitions, mergers and disposals:** gains and losses on disposal of buildings or consolidated companies, M&A-related transaction costs, deferred M&A purchase price and impairment losses on goodwill.
- **Litigation/regulation:** Material (\*) financial impacts of litigation files, fines and penalties and of law changes (one-off impacts relative to previous years)

(\*) The materiality threshold is met when exceeding individually EUR 5 million. No threshold is used for adjustments in a subsequent quarter if the threshold was met in a previous quarter.

**EBIT:** Earnings Before Interest & Taxes, corresponds to EBITDA minus depreciation and amortization.

**Fixed Data Services (Business):** Total revenues from Fixed Data, consisting of Broadband, Data Connectivity (including Explore solutions and SD-WAN) and TV.

**Fixed Voice park:** PSTN, ISDN and IP lines. For Business specifically, this also contains the number of Business Trunking lines (solution for the integration of Voice and Data traffic on one single Data network).

**Fixed Voice Services (Business):** Total revenues from Fixed Voice access lines and traffic, as well as fixed telephony systems installed at customer premise or serviced from the cloud.

**Free Cash Flow:** this is cash flow before financing activities and after lease payments.

**International:** segment defined as including Proximus Group's international affiliates, BICS and Telesign.

**Internet ARPU (Business):** total Internet underlying revenue, excluding activation and installation fees, divided by the average number of Internet lines for the period considered, divided by the number of months in that same period.

**Internet park:** ADSL, VDSL and Fiber lines. For Residential, this also includes Scarlet and Mobile Vikings.

**IT Services revenue (Business):** Information Technology (IT) Services, including Managed, Integration and Consultative services, which enable users to access, store, transmit, and manipulate information, with the help of unified communications, computers, as well as necessary enterprise software, middleware, storage, and audio-visual systems. Proximus' IT solutions include, but are not limited to, Security, Cloud, Smart Network, Advanced Workplace and Smart Mobility solutions. It also includes recurring equipment sales to support these services.

**IT Products revenue (Business):** Revenues from one-shot IT products (boxes, hardware) or one-shot licenses, with the change of ownership towards the customer.

**Luxembourg Telco:** including fixed & mobile services, terminals & other.

**Mobile ARPU (Business):** monthly ARPU is equal to total Mobile services revenues (excl. M2M & network services), divided by the average number of active cards for that period, divided by the number of months of that same period.

**Mobile cards:** refers to active Voice and Data cards, excluding free Data cards. Postpaid customers paying a monthly subscription are by default active. Prepaid customers are considered active when having made or received at least one call and/or sent or received at least one SMS message in the last three months. An M2M card is considered active if at least one Data connection has been made in the last month.

**Mobile-only (Residential):** Refers to Mobile Postpaid whereby no other recurring subscriptions are bought. Mobile Prepaid is not included in the Customer services revenue but reported separately.

**Mobile Services revenue (Business):** Total revenues from Mobile Services including traditional mobile services, using the mobile network connectivity, as well as IoT (including M2M) and Next Generation Communication (including network services as well as new innovative solutions).

**Multi-play customer:** two or more Plays, not necessarily in a Pack.

**Net Financial Position:** refers to the net amount of investments, cash and cash equivalents minus any interest-bearing financial liabilities and related derivatives, including re-measurement to fair value and lease liabilities. The net financial position does not include the "other current & non-current payables interest-bearing".

**Network Services (Business):** focuses on optimizing the interaction between Enterprise customers and its stakeholders, for which revenues are independent from the number of Postpaid cards.

**Non-Workforce expenses:** all operating expenses excluding workforce expenses and excluding depreciation and amortization.

**Net Revenue Retention rate (NRR):** success indicator of the existing customer base, calculating the percentage of recurring revenue retained from existing customers compared to 12 months back.

**Other Operating Income:** this relates to income from, for example, reimbursements from damages, employees, insurances, gain on disposal, etc.

**P2P Voice & Messaging:** One of the two main product groups within the International segment alongside "Communications & Data". P2P Voice & Messaging groups Voice, Capacity, Other Legacy and P2P MMS messaging.

**Play:** a subscription to either Fixed Voice, Fixed Internet, dTV or Mobile Postpaid (paying Mobile cards). A 4-Play customer subscribes to all four services.

**Reported revenues:** this corresponds to the TOTAL INCOME.

**Residential:** unit addressing the residential market, including the Customer Operations Unit.

**Revenue-Generating Unit (RGU):** for example, a customer with Fixed Internet and 2 Mobile Postpaid cards is considered as a 2-Play customer with 3 RGUs.

**Sales Booking:** defined as the estimated monthly direct margin value of a won opportunity recorded within the CRM system. The nature of these bookings can vary between monthly recurring opportunities or short-term commercial opportunities.

**Terminals:** this corresponds to devices for Fixed Voice, Data, Mobile and related accessories. This excludes PABX, IT products and TV CPE.

**Underlying:** refers to revenue and EBITDA (Total Income and Operating Income before Depreciation and Amortization) corrected for the EBITDA Adjustments in order to properly assess the ongoing business performance.

**Wholesale:** unit addressing the telecom wholesale market including other telecom operators (incl. MVNOs) and ISPs.

**Wholesale fixed & mobile services** includes all solutions that Proximus offers to other operators. These services include fixed internet and data connectivity services, fixed telephony and mobile (incl. MVNO and Roaming) services (excl. Interconnect)

**Wholesale Interconnect** is the process of connecting an operator network with another operator network. This then allows the customers of one operator to communicate with the customers of another operator. Interconnect includes fix voice, mobile voice and mobile SMS/MMS services.

**Workforce expenses:** expenses related to own employees (personnel expenses and pensions) as well as to external employees.

**X-Play:** the sum of single play (1-play) and multi-play (2-play + 3-play + 4-play).



## 6.5 Management statement

The Proximus Executive Committee declares that, to the best of its knowledge, the interim condensed consolidated financial statements, established in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the EU, give a true and fair view of the assets, financial position and results of Proximus and of the entities included in the consolidation. The financial report gives an accurate overview of the information that needs to be disclosed. The Proximus leadership squad is represented by Guillaume Boutin, CEO, Mark Reid, Finance Lead, Anne-Sophie Lotgering, Business Market lead, Jim Castele, Residential Market Lead, Geert Standaert, Network and Wholesale Lead, Antonietta Mastroianni, Digital & IT Lead, Renaud Tilmans, Customer Operations Lead, Jan Van Acoleyen, Human Capital Lead, and Ben Appel, Corporate Affairs Lead.

## 6.6 Financial calendar

(dates could be subject to change)

26 April 2024	Announcement Q1 2024 results
10 July 2024	Start of quiet period ahead of Q2 2024 results
26 July 2024	Announcement Q2 2024 results
9 October 2024	Start of quiet period ahead of Q3 2024 results
25 October 2024	Announcement Q3 2024 results

## 6.7 Contact details

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## 6.8 Investor and Analyst Webcast

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Proximus will host a webcast for investors and analysts on Friday, 26 April 2024.  
Time 02.00pm Brussels – 01.00pm London – 08.00am New York

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Follow the webcast and register to ask questions in the Q&A session:

<https://www.proximus.com/investors/reports-and-results.html>

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