Quarterly Report

2020 Q2

proximus

Table of contents

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7.00 (CET)
Regulated Information

- **Firm commercial momentum: Postpaid mobile base +45,000; Internet +19,000 and TV +11,000.**
- **Covid-19 margin impact mitigated by lower costs and managing investments.**
- **Strong cost control results in -8.8% decrease in underlying domestic expenses.**
- **Underlying Domestic EBITDA of EUR 442 million, -1.0% below the same period of 2019.**
- **Underlying Group EBITDA ended -1.5% on the prior year.**
- **Year-to-date FCF of EUR 252 million, incl. the "Fit for Purpose" transformation payments.**
- **Confident to meet high-end of full-year 2020 outlook.**

1 Highlights Q2 2020

- For its **Domestic operations**, Proximus posted **underlying revenue of EUR 1,037 million, -4.3%** below that of the prior year. This was largely driven by Covid-19-related impacts, while normal business trends remained rather stable, supported by growing convergence revenue.

- Proximus' **Domestic operations posted a direct margin of EUR 804 million, -4.6%** down on the previous year. More than half of the decline was caused by Covid-19-related headwinds, with all customer segments impacted by lower roaming volumes following the travel bans, and both the Consumer and Enterprise segment having offered temporary free usage of some selected Telecom services to their customers.

- Proximus achieved a **firm decrease of -8.8% in the operating expenses of its Domestic operations for the second quarter 2020,** for a large part driven by a lower headcount. The company's efforts to manage its costs during exceptional times, was also reflected in its non-workforce expenses (-8.6%). Excluding the billable ICT workforce expenses in the B2B segment, the indirect Domestic expenses were year-on-year down by -9.3%.

- Proximus posted for the second quarter of 2020 a **Domestic EBITDA of EUR 442 million, down by -1.0%** on the prior year, with the strong reduction in expenses nearly fully offsetting the pressure on its direct margin. The Domestic EBITDA margin as percentage of revenue rose to 42.6%, up from 41.2% one year back.

- **BICS posted a second-quarter 2020 EBITDA of EUR 35 million, down by -7.4%** compared to the prior year. This resulted from a -5.3% decrease in Direct Margin, mainly caused by Covid-19 not fully offset by a strong performance by TeleSign. BICS decreased its expenses year-on-year by -3.3%.

- Therefore, in aggregate, the **Proximus Group second-quarter underlying EBITDA totaled EUR 477 million, a decrease of -1.5% from the same period of 2019**, including an estimated net effect from Covid-19 of EUR -15 million. The underlying Group EBITDA margin improved by 1.6 p.p. to 35.9%.

- **Proximus invested EUR 418 million over the first six months of 2020**. In spite of some Covid-19 headwinds, Proximus deployed Fiber for an additional 39,000 of homes, with its Fiber footprint reaching 346,000 Homes Passed by end-June 2020. Non-Fiber capex was lower due to a Covid-19 impact, the company managing down less strategic investments, and a number of investment projects now completed.

- **Proximus posted a FCF of EUR 252 million for the first six months of 2020**. The year-on-year decrease mainly resulted from the payments in the framework of the "Fit for Purpose" transformation plan, for a large part offset by lower cash needed for capex, lower income tax payments and a favorable year-on-year evolution in Business working capital.

Proximus Group operational results:

- **+12,000 Convergent** customers, total of 1,091,000
- **+19,000 Fixed Internet** lines, total of 2,108,000
- **+11,000 TV** customers, total of 1,652,000
- **-22,000 Fixed Voice** lines, total of 2,327,000
- **+45,000 Mobile Postpaid** cards, total of 4,178,000
- **-36,000 Mobile Prepaid** cards, total of 662,000
- **+175,000 M2M** cards, total of 2,085,000

Market situation

The second quarter was marked by Covid-19, including lockdown effects until mid-May. Also, upon request of the regulator, all operators put a temporary halt on contract terminations for non-paying customers. This reduced customer rotation significantly, resulting in exceptionally low churn levels and lower acquisition opportunities. Digital adoption accelerated in all segments.

The **Consumer market** was rather quiet from commercial perspective, with no major competitive changes. Convergent offers address all customer segments, with a move towards skinny bundles. Mobile data allowance remains on the rise, while there is a tendency to keep headline pricing stable. The **Enterprise market** remains very competitive, translated into continued pricing pressure. While legacy Fixed Telecom and IT Infrastructure services face an ongoing erosion, Fiber connectivity and Professional IT services represent growth opportunities.

Guillaume Boutin
CEO Proximus Group

We contained the impact from the Covid-19 pandemic on our Group EBITDA in the second quarter and thanks to strong cost and investment management, we are confident to reach the high end of the full-year guidance. We also signed crucial MOUs in the execution of our #inspire2022 strategy, boosting our future Fiber deployment.

Proximus' operations have showed a sound resilience to the sanitary crisis. The majority of our net customer growth results from a solid commercial performance, in spite of our shops being closed until 10 May. Even if our proactive commercial gestures during the confinement period have somehow weighted on our revenues, they supported for sure our customers to get through this Covid-19 crisis. This created a renewed confidence that translates in an upside in customer satisfaction and in historically low churn figures. We will continue to support our customers and the society as a whole in this crisis. As a responsible telecom company, it is crucial to enable people to keep in touch, to work from home, children to go e-schooling, closed businesses to turn to online alternatives.

We contained the negative direct margin impact of Covid-19 on EBITDA level through a firm cost control, and capex was down on less strategic projects while preserving our Fiber capex. In view of our achievements so far, we are confident to meet the high-end of our full-year 2020 outlook of EUR 780-800 million underlying Group EBITDA minus CAPEX.
As for our Domestic operations, we have put our #inspire2022 strategy into action to reach our announced ambitions, resulting in concrete steps around customer value propositions, partnerships and building gigabit networks.
In support of our growth objective, we announced FLEX as from 1 July, for which we have seen a promising initial uptake. This new range of customized packs, addressing especially the multi-mobile family segment, is a new catalyst to further grow our convergent base.

Mid-June we announced our strategic partnership with Belfius bank, bringing digital banking solutions to our customers on a 100% asset-light basis. Belfius will sell Proximus telecom services and bundles through its entire nation-wide sales network, creating new customer acquisition opportunities for Proximus.
We were also happy to announce to our customers that we reached an agreement for the distribution of Eleven Sports' new Pro League channels covering all live Belgian football matches on all their screens via Pickx for the next 5 seasons. Proximus customers will therefore continue to be able to enjoy an extremely comprehensive sports offer from the start of the season through our All Sports offer.

The Mobile Access Network Sharing JV MWingz is now operational since April 1st. Vendor selections for both RAN and Proximus Core are progressing well. We will take into account all EU and governmental requirements in our selection process and there is no additional cost to be expected versus our announced 6-year capex plan.

Last, but not least, I am really proud and excited that we can announce today the signature of Memorandums of Understanding with Eurofiber and DELTA Fiber enabling us to further enlarge and accelerate the roll-out of our open Fiber network in Belgium. This will allow us to realize a significant acceleration of around 30% compared to our target of 2.4 million living units connectable to Fiber by 2025. These partnerships will also facilitate a substantial further upscaling beyond that date, with up to 4.2 million homes and businesses that can be connected to Fiber by end 2028, representing a Fiber coverage of about 70%. This will generate long-term value accretion through a more cost-efficient roll-out, improved competitiveness through undisputed network superiority and even more copper outphasing. We expect the net effect on our cumulative FCF over the next 5 years to be neutral, lower rollout capex compensating the anticipated equity injections. Hence there will be no impact on our net debt level. Entering into these partnerships will enable us to lead in the multi-gigabit infrastructures and bring Belgium to the forefront of digitalization in Europe."

2 Proximus Group financial review

2.1 Group financials

Table 1: Underlying Group P&L

(EUR million)	2nd Quarter 2019	2nd Quarter 2020	% Change	Year-to-date 2019	Year-to-date 2020	% Change
Revenue[1]	1,413	1,330	-5.9%	2,828	2,723	-3.7%
Net Revenue	1,400	1,321	-5.7%	2,802	2,701	-3.6%
Other Operating Income	13	9	-30.6%	26	22	-15.3%
Cost of Sales[2]	-489	-449	-8.2%	-979	-937	-4.3%
Direct Margin	924	880	-4.7%	1,849	1,786	-3.4%
Direct Margin %	*65.4%*	*66.2%*	*0.8 p.p.*	*65.4%*	*65.6%*	*0.2 p.p.*
Expenses	-440	-403	-8.3%	-902	-845	-6.3%
EBITDA[3]	484	477	-1.5%	947	941	-0.6%
EBITDA Margin %	*34.3%*	*35.9%*	*1.6 p.p.*	*33.5%*	*34.6%*	*1.1 p.p.*

[1] Corresponds to "Total Income" excluding Incidentals (see section 7 for the reported figures)
[2] Corresponds to "Cost of materials and charges to revenues" excluding Incidentals (see section 7 for the reported figures)
[3] Corresponds to "Operating income before depreciation and amortization" excluding Incidentals (see section 7 for the reported figures)
See section 8.2 for incidental details

2.1.1 Underlying Group revenue

Q2 2020

For the **second quarter of 2020**, Proximus posted **Domestic underlying revenue of EUR 1,037 million** (tables 2 and 3), -4.3% below that of the prior year. This was largely driven by Covid-19-related impacts, with a steep decrease in the overall Roaming revenue following the travel bans, and revenue loss following Proximus' proactive commercial gestures for its customers in times of confinement. This included, among other things, an increase in the mobile data allowance free of charge, free calls from Fixed/Mobile to Fixed and expanding access to content. Moreover, 'Other revenue' was lower due to fewer customer reminder and reconnection fees and, within the Wholesale segment, mobile inbound revenue showed a temporary accelerated decrease. The Covid-19 effects aside, normal business trends were rather stable and remained supported by Proximus' converged multi-Play offers gaining further traction, leading to a year-on-year 3.1% revenue increase from convergent customers.

Similar to the first quarter 2020, revenue from **Fixed Services progressed by +0.2%** from the prior year, with the pressure in the Enterprise segment compensated for by higher Consumer Fixed Services (+2.3%). The Consumer segment saw its Fixed Voice revenue erosion being compensated for by the higher Internet and TV base from one year back. The second quarter showed particularly good operational results, with the customer installation backlog of March fully resolved and supported by exceptionally low churn levels. Year-on-year the Fixed services revenue was also supported by the positive impact from e-Press[1] and the implemented price indexation since 1 January 2020.

Revenue from **Postpaid Mobile Services was noticeably impacted by the steep contraction in roaming traffic**, with roaming-out, visitor roaming and instant roaming exposed to the global travel bans. As such, all 3 customer segments - Consumer, Enterprise and Wholesale - were impacted. This

[1] Launched 1 December 2019

time of the year, especially non-EU business travel was impacted. This added to the continued competitive price pressure in the Enterprise segment and the lower out-of-bundle revenue following the revamped Consumer Mobile offer. The International calling/SMS regulation impact was limited (EUR -2 million), with the effect lapping since 15 May 2020. Overall, the Postpaid Mobile services revenue for Proximus was down by 7.8%, with the ARPU pressure not fully compensated for by the 12-month growth in Proximus' Postpaid customer base of +119,000 cards or +2.9%.

So far, the impact of the **sanitary crisis on ICT revenue has remained limited, with, on Group level, a 1.6% revenue increase, including higher product revenue,** i.e. a stable year-on-year growth compared to the first quarter of 2020.

In contrast to the first quarter, the overall second-quarter revenue from **terminals** was down from the prior year. This resulted from the non-strategic re-selling of mobile terminals while revenue from Mobile Joint Offers, i.e. selling high-end Mobile terminals with a Mobile subscription, grew by 24%.

Proximus' **Wholesale segment was particularly impacted by Covid-19**, driven by a significant decrease in visitor and instant roaming revenue. Moreover, mobile Inbound[2] revenue showed a steeper decline due to an accelerated adoption of OTT messaging alternatives being used during the confinement. This revenue decline is however nearly margin-neutral on Group level. Overall, the Wholesale revenue decreased to EUR 71 million for the second quarter of 2020.

Tango, the Telecom brand of Proximus Luxembourg SA, posted +3.6% in revenue, totaling EUR 33 million, of which EUR 28 million was in the Consumer segment, i.e. a stable result relative to the previous year, despite the sanitary crisis reducing international traveling. The revenue performance was secured through business resilience and Tango's digital strategy.

Proximus' carrier services, **BICS**, **posted second-quarter revenue of EUR 293 million**, i.e. -11.2% year-on-year, including a Covid-19 exposure to its roaming and signaling services, and the ongoing insourcing by MTN. This was not compensated for by the increasing A2P messaging revenue from TeleSign.

Overall, the **Proximus Group** revenue for the second quarter of 2020 totaled EUR 1,330 million, -5.9% down from the prior year.

H1 2020

Over the first six months of 2020, the Proximus Group posted EUR 2,723 million revenue, -3.7% below that of the same period of 2019, with especially the Covid-impacted second quarter weighing in the total decline.

Table 2: Underlying Group Revenue by Segment

	2nd Quarter			Year-to-date		
(EUR million)	2019	2020	% Change	2019	2020	% Change
Group Underlying by Segment	1,413	1,330	-5.9%	2,828	2,723	-3.7%
Domestic	1,084	1,037	-4.3%	2,180	2,123	-2.6%
Consumer	661	651	-1.7%	1,326	1,316	-0.8%
Enterprise	343	327	-4.5%	694	670	-3.4%
Wholesale	95	71	-24.9%	186	157	-15.4%
Other (incl. eliminations)	-15	-12	22.9%	-26	-21	21.5%
International Carrier Services (BICS)	329	293	-11.2%	648	600	-7.4%

[2] As of 1 January 2020, the revenue from mobile inbound is reported within Proximus's Wholesale segment. See reporting changes in section 8.1.

Table 3:

Underlying Group Revenue by Product nature

NB: In line with Proximus' strategy, most products are sold through multi-play Packs. The Packs are sales arrangements with multiple deliverables. The revenue is allocated to the different services (fixed and mobile), based on their relative standalone selling prices, i.e. the amount for which the services could be sold separately. The revenue allocation by nature as reported in this report may be impacted by changes in the composition of multi-play offers, for example the launch of e-Press since 1 December 2019.

The resulting ARPUs as reported in this document, and the variances compared to preceding periods, are therefore partly the mere mathematical consequence of the application of this accounting policy to a changed Pack composition.

	2nd Quarter			Year-to-date		
(EUR million)	**2019**	**2020**	**% Change**	**2019**	**2020**	**% Change**
Group Revenues	**1,413**	**1,330**	**-5.9%**	**2,828**	**2,723**	**-3.7%**
Domestic Revenues	**1,084**	**1,037**	**-4.3%**	**2,180**	**2,123**	**-2.6%**
Other Operating Income	**13**	**9**	**-30.4%**	**25**	**21**	**-14.2%**
Net Revenues	**1,071**	**1,028**	**-4.0%**	**2,155**	**2,101**	**-2.5%**
Telecom	835	814	-2.6%	1,678	1,652	-1.6%
Services	740	720	-2.7%	1,479	1,450	-2.0%
From Fixed	486	487	0.2%	978	980	0.2%
From Mobile	254	233	-8.2%	501	470	-6.3%
Postpaid	239	220	-7.8%	474	447	-5.8%
Prepaid	15	13	-15.3%	27	23	-15.2%
Terminals	63	61	-4.1%	131	134	2.3%
Tango	32	33	3.6%	67	67	-0.3%
ICT	135	138	1.6%	275	279	1.6%
Advanced Business Services	10	9	-7.3%	20	19	-1.9%
Other Products	14	9	-36.7%	30	21	-31.1%
Wholesale	94	71	-24.9%	186	157	-15.4%
Other segment (incl. elim)	-19	-13	32.6%	-34	-27	21.2%
BICS Revenues	**329**	**293**	**-11.2%**	**648**	**600**	**-7.4%**
Costs of Sales	**-489**	**-449**	**-8.2%**	**-979**	**-937**	**-4.3%**
Group Direct Margin	**924**	**880**	**-4.7%**	**1,849**	**1,786**	**-3.4%**
Direct Margin %	*65.4%*	*66.2%*	*0.8 p.p.*	*65.4%*	*65.6%*	*0.2 p.p.*

Table 4:

Group operationals per product

	Park			Net adds	
(in 000's)	Q2 '19	Q2 '20	% Change	Q2 '19	Q2 '20
Fixed Voice	2,477	2,327	-6.0%	-36	-22
Internet	2,071	2,108	1.8%	6	19
TV	1,631	1,652	1.3%	5	11
Mobile postpaid excl. M2M	4,059	4,178	2.9%	24	45
M2M	1,572	2,085	32.6%	134	175
Mobile prepaid	753	662	-12.2%	-29	-36

Group operationals cover Proximus (Consumer and Enterprise), Scarlet, Tango and Wholesale.

2.1.2 Underlying Group direct margin

Table 5: Underlying Group direct margin by Segment

	2nd Quarter			Year-to-date		
(EUR million)	2019	2020	% Change	2019	2020	% Change
Group Underlying by Segment	924	880	-4.7%	1,849	1,786	-3.4%
Domestic	844	804	-4.6%	1,691	1,631	-3.5%
Consumer	511	514	0.7%	1,025	1,026	0.1%
Enterprise	240	224	-7.0%	482	455	-5.5%
Wholesale	86	65	-24.9%	170	144	-15.3%
Other (incl. eliminations)	6	2	-71.7%	15	7	-50.8%
International Carrier Services (BICS)	80	76	-5.3%	159	155	-2.4%

Q2 2020

The **second-quarter 2020** underlying direct margin of the **Proximus Group totaled EUR 880 million**. **Domestic operations posted a direct margin of EUR 804 million**, -4.6% or EUR -39 million down on the previous year. **Covid-19 effects, for an estimated amount of EUR -23 million,** lowered the Direct margin in all customer segments. The headwinds were especially visible in the Wholesale segment, driven by lower Wholesale Roaming traffic and, in particular, a drop in SMS interconnect. The latter is neutralized on a Domestic level, with lower interconnect costs mostly benefitting the Consumer segment.

For the second quarter of 2020, **BICS posted a direct margin of EUR 76 million, down by -5.3%** compared to the prior year, with over EUR -5 million negative impact from Covid-19 on BICS' roaming margin coming on top of the progressive insourcing by MTN. This was only in part offset by a strong performance by TeleSign, especially in the authentication business (A2P) and Mobile Identity services. The direct margin as a percentage of revenue improved by 1.6 p.p. from the prior year, reaching 25.9% in the second quarter of 2020.

H1 2020

Over the first half of 2020 Proximus Group posted direct margin of EUR 1,786 million, a year-on-year decline by -3.4%, including EUR -34 million of Covid-19 impacts. The Domestic direct margin was down by -3.5% to EUR 1, 631 million, negatively impacted by Covid-19 for EUR -29 million, while the direct margin of BICS was -2.4% lower, totaling EUR 155 million.

2.1.3 Underlying Group expenses[3]

Table 6: Underlying Group expenses

	2nd Quarter			Year-to-date		
(EUR million)	2019	2020	% Change	2019	2020	% Change
Group Underlying	440	403	-8.3%	902	845	-6.3%
Workforce expenses	294	271	-7.8%	595	555	-6.7%
Non Workforce expenses	145	132	-9.2%	307	290	-5.6%
Domestic Underlying	398	363	-8.8%	817	761	-6.8%
Workforce expenses	270	246	-8.9%	545	504	-7.6%
Non Workforce expenses	128	117	-8.6%	271	258	-5.1%
BICS Underlying	42	41	-3.3%	86	84	-2.2%
Workforce expenses	25	26	3.7%	50	51	3.4%
Non Workforce expenses	17	15	-13.3%	36	32	-10.0%

Q2 2020

The Proximus Group posted a **strong decline in its underlying operating expenses** for the second quarter 2020 , down by -8.3% from the prior year or EUR -36 million. This includes an estimated positive effect of Covid-19 for about EUR -13 million. This especially benefitted the operating expenses of Proximus' Domestic operations. BICS' expenses were down by -3.3% over the same period.

Within Proximus' **Domestic operations, the -8.8% decrease in expenses to EUR 363 million** for the second quarter of 2020 was for a large part driven by the positive impact from its lower headcount following the employees that left the company on 1 January 2020 in the framework of the Early Leave Plan ahead of retirement and the Fit for Purpose plan, with the majority having left Proximus on 1 March 2020. End-June 2020, Proximus' Domestic operations employed 10,429 FTEs, with the year-on-year decrease of 1,779 FTEs being the major driver for the -8.9% decrease in Domestic workforce expenses in the second quarter. Moreover, the inflation- based salary indexation on 1 April 2020 was offset by Covid-19-related economical unemployment, and inbound call center volumes declined following improved customer processes and IT simplification.

The company's efforts to manage its overall Domestic cost base was also reflected in its non-workforce expenses, with, among other things, efficiencies in commercial spending driving nearly half of the -8.6% year-on-year decrease for the second quarter. The remaining part of the decline is coming from a net positive effect from one-offs for about EUR 6 million in the quarter, resulting from a changed media buying practice, in part offset by a limited increase in Tax on Pylons provisions.

The addressable base for the company's cost reduction ambitions are the **indirect expenses of Proximus' Domestic operations**. This is the Domestic cost base excluding the billable ICT workforce expenses in the B2B segment, seeing the company's growth ambitions in this area. For the second quarter 2020, the **indirect[4] Domestic expenses were year-on-year down by -9.3%.**

H1 2020

Over the first half of the year, the Proximus Group reduced its expenses by -6.3% or EUR -57 million. The cost of Domestic operations was down by -6.8% or EUR -55 million, with about half of this related to structural cost benefits. The Domestic cost reduction was largely the result of the decrease in headcount, included for about EUR -20 million non-recurring elements (Covid-19 effects and one-off media efficiencies) and timing-related savings which are expected to be spent in the second half of the year. Excluding the billable ICT workforce expenses, Proximus reduced its indirect domestic expenses by 7.4%.

[3] Before D&A; excluding Cost of Sales; excluding incidentals.

[4] Domestic expenses excluding Enterprise ICT billable workforce expenses

2.1.4 Group EBITDA - reported and underlying

Table 7:

From reported to underlying EBITDA

(EUR million)	2nd Quarter 2019	2nd Quarter 2020	2nd Quarter % Change	Year-to-date 2019	Year-to-date 2020	Year-to-date % Change
Group reported EBITDA	498	501	0.5%	975	996	2.1%
Lease depreciations	-22	-21	nr	-43	-41	nr
Lease interest	-1	-1	nr	-1	-1	nr
Incidentals	8	-2	nr	15	-13	nr
Group Underlying EBITDA	484	477	-1.5%	947	941	-0.6%
Domestic	446	442	-1.0%	874	870	-0.4%
BICS	38	35	-7.4%	73	71	-2.6%

Q2 2020

Underlying Group EBITDA

The **underlying Group EBITDA for the second quarter 2020 totaled EUR 477 million, a decrease of -1.5% or EUR -7 million from the prior year.** The net Covid-19 impact for the Group over this period is estimated at EUR -15 million.

For its Domestic operations, Proximus posted for the second quarter of 2020 **EBITDA of EUR 442 million, down by -1.0% on the prior year**, with the strong reduction in expenses nearly fully offsetting the pressure on its direct margin. The Domestic EBITDA margin as percentage of revenue rose to 42.6%, up from 41.2% one year back.

BICS' EBITDA for the second quarter of 2020 totaled EUR 35 million, a decrease of -7.4% compared to the prior year, with the lower second-quarter expenses only partially offsetting the pressure on BICS' margin. The EBITDA margin as a percentage of revenue further progressed to 12.1%, +0.5 p.p.

Q2 2020

Total Reported Group EBITDA

With incidentals included and operating lease expenses excluded, the Proximus Group's reported EBITDA for the second quarter 2020 was EUR 501 million, positive by 0.5% on the prior year. In the second quarter of 2020, the Proximus Group recorded EUR 2 million net positive EBITDA incidentals, mainly resulting from a positive revision of Fit for Purpose-related provisions, partly offset by a negative Tax on Pylons provision. This compares to EUR 8 million negative incidentals for the same period of 2019 (see section 8.2 for an overview of the incidentals).

H1 2020

Year-to-date June 2020, the Proximus Group posted **underlying EBITDA of EUR 941 million**, -0.6% or EUR -6 million below that of the comparable period of 2019. The impact from Covid-19 on the year-to-date Group EBITDA is estimated at EUR -20 million. This was fully driven by a lower direct margin, with especially the second quarter direct margin pressured by the Covid-19 headwinds. Within the mix, Proximus' Domestic EBITDA was year-on-year down by -0.4% to EUR 870 million, and BICS' EBITDA decreased by -2.6% to EUR 71 million.

With incidentals included and operating lease expenses excluded, the **Proximus Group's reported EBITDA** for the first half of 2020 was **EUR 996 million,** positive by 2.1% on the prior year.

2.1.5 Net income

Q2 – H1 2020

Depreciation and amortization

The second-quarter 2020 **depreciation and amortization amounted to EUR 286 million,** bringing the total over the first six months of 2020 to EUR 564 million, rather stable in relation to the EUR 563 million for the same period of 2019.

Net finance cost

The year-to-date June 2020 **net finance cost totaled EUR 23 million including lease interests,** decreasing with EUR 2 million from one year back, resulting from a reassessment of tax on pylon accruals following a favorable court decision.

Tax expenses

The tax expenses over the first half year of 2020 amount to EUR 100 million, leading to **an effective tax rate of 24.5%.**

Net income (Group share)

With EUR 145 million net income for the second quarter, the Group reported **a half-year net income (Group Share) of EUR 297 million.** The year-over-year increase by EUR 25 million is mainly explained by a positive year-on-year impact from incidentals.

Table 8: From Group EBITDA to net income

(EUR million)	2nd Quarter 2019	2nd Quarter 2020	% Change	Year-to-date 2019	Year-to-date 2020	% Change
Group reported EBITDA	498	501	0.5%	975	996	2.1%
Depreciation and amortization	-265	-264	-0.3%	-520	-523	0.5%
Lease depreciation	-22	-21	-2.0%	-43	-41	-4.6%
Operating income (EBIT)	212	216	1.8%	412	433	4.9%
Net finance costs (including lease interest)	-14	-15	6.9%	-25	-23	-8.7%
Share of loss on associates	0	0	n.r.	-1	-1	94.5%
Income before taxes	197	201	1.6%	387	408	5.6%
Tax expense	-54	-51	-6.6%	-106	-100	-5.6%
Net income	143	150	4.7%	281	308	9.8%
Non-controlling interests	5	5	4.2%	8	11	31.1%
Net income (Group share)	138	145	4.7%	273	297	9.2%

2.1.6 Investments

Proximus invested EUR 187 million in the second quarter 2020, bringing its total capex to EUR 418 million over the first six months of 2020. This was EUR 466 million for the comparable period of 2019, spectrum capex excluded. The year-on-year decrease resulted mainly from a Covid-19 impact on capex (e.g. delays in roadworks, customer connections and equipment, backbone migration, etc.), and the company managing down copper and delaying less strategic investments. Moreover, a number investment projects have been completed, such as the migration to a single mass market order-to-cash IT chain and Fiber to the Business in large industrial zonings.

The investment level for Fiber over the first six months of 2020 was prioritized, with a limited part of the investments being delayed following the Covid-19-related temporary deployment restrictions. Proximus intends to reach the full 2020 planned roll-out. In spite of some Covid-19 headwinds, Proximus deployed Fiber for an additional 39,000 homes, with its Fiber footprint reaching 346,000 HP by end-June 2020.

2.1.7 Cash flows

Table 9:

Cash flows

	2nd Quarter			Year-to-date		
(EUR million)	2019	2020	% Change	2019	2020	% Change
Cash flows from operating activities	387	339	-12.4%	852	768	-9.9%
Cash paid for Capex (*)	-236	-221	-6.7%	-535	-478	-10.6%
Cash flows used and provided in other investing activities	-4	1	>100%	-34	3	>100%
Cash flow before financing activities	147	120	-18.5%	283	292	3.3%
Lease payments	-18	-20	11.3%	-42	-40	-3.8%
Free cash flow	129	100	-22.7%	241	252	4.5%
Cash flows used and provided in financing activities other than lease payments	-156	97	>100%	-287	-65	-77.2%
Exchange rate impact	0	-1	>100%	0	0	-15.6%
Net increase/(decrease) of cash and cash equivalents	-27	196	>100%	-46	187	>100%

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

Proximus posted a **FCF of EUR 100 million for the second quarter of 2020**, including EUR -81 million of the anticipated cash-out related to the Fit for Purpose plan and Early Leave plan. This results in a **FCF of EUR 252 million for the first six months of 2020, or EUR 254 million excluding net cash-out for acquisitions**[5] , compared to EUR 278 million for the first half of 2019. The year-on-year decrease mainly results from the payments in the framework of the "Fit for Purpose" transformation, for a large part offset by lower cash needed for capex, lower income tax payments and a favorable year-on-year evolution in Business working capital.

2.1.8 Balance sheet and shareholders' equity

Compared to year-end 2020, the goodwill remained fairly stable and amounts to EUR 2,478 million.

Tangible and intangible fixed assets amount to EUR 4,102 million and decreased with EUR 105 million as the depreciation and amortization charge of the year is higher than the amount of investments.

The shareholders' equity decreased from EUR 2,856 million end of December 2019 to EUR 2,825 million end of June 2020, mainly due to the payments of dividends (EUR 323 million) not being fully compensated yet by the net income (Group share) of EUR 297 million.

End-June 2020, Proximus' outstanding long-term debt (excluding lease liabilities) amounted to EUR 2,511 million, and its adjusted net financial position to EUR -2,289 million. Proximus was granted a new 20-year Private Placement Note of EUR 150 million starting 14 May 2020 with an annual fixed coupon of 1.5%.

[5] Non-controlling interest in Be-Mobile Group

Table 10: Net financial position

(EUR million)	As of 31 December 2019	As of 30 June 2020
Investments, Cash and cash equivalents	327	513
Derivatives	5	5
Assets	332	519
Non-current liabilities (*)	-2,603	-2,742
Current liabilities (*)	-220	-368
Liabilities	-2,824	-3,109
Net financial position (*)	-2,492	-2,591
of which Leasing liabilities	-307	-302
Adjusted net financial position (**)	-2,185	-2,289

(*) Including derivatives and leasing liabilities
(**) The adjusted financial position excludes leasing liabilities

2.2 Regulation

Review of the EU Telecom framework – new caps on intra-EU call and SMS prices

In the context of the EU Telecom review adopted end-2018, the European legislators adopted a regulation inserting caps on intra-EU call and SMS prices (calls and texts to another EU country). The new caps took effect on 15 May 2019 for Consumers at 19 eurocents/minute for calls and 6 eurocents/text. The 2020 impact on revenue and on margin amounts to EUR -7 million, of which EUR -2 million in the second quarter 2020.

Cable and broadband regulation and pricing

On 26 May 2020, the Belgian regulators adopted their final decisions on the cable wholesale pricing. The new prices entered into force on 1 July 2020 and the decisions state the need to preserve investment incentives for fiber.

The BIPT assessment of the Proximus wholesale FTTH rental pricing is still pending. A consultation on the pricing is expected in the second half of 2020.

Spectrum

The multi-band spectrum auction (which should include the renewal of the existing 2G/3G spectrum licenses (900MHz, 1800MHz and 2100MHz) as well as the granting of new 5G spectrum (700MHz, 1400MHz and 3500MHz) is still on hold. The timing and the final conditions of the future auction remain uncertain.

In order to allow operators to deploy 5G within the timeframe foreseen by the European Commission, the BIPT has taken several interim initiatives.

On 15 June 2020, the BIPT published the decisions granting temporary user rights in the 3600-3800 MHz frequency band to five operators: Cegeka, Entropia, Orange, Proximus and Telenet. These temporary user rights will allow operators to start to deploy 5G in Belgium, pending the upcoming auction. Operators have each been granted a block of 40MHz TDD contiguous. Each operator may decide when they want to start their license (between 1 August and 1 December 2020) and these rights will run until new rights are granted following the upcoming multiband auction. Operators have the obligation to put their spectrum in service before 1 March 2021. Operators have to pay a yearly fee of EUR 420,000 with yearly indexation. No unique fee is due for these temporary rights. These rights are not subject to any specific coverage obligation. Given the importance of 5G to build a digital Belgium, Proximus welcomes the BIPT's initiative related to temporary licenses; however, a prompt decision on the definitive allocation of the spectrum in the framework of an auction remains a necessity.

Concerning the current 2G (900MHz and 1800MHz) and 3G (2100MHz) licenses which will expire in March 2021, the BIPT proposes to foresee the possibility to extend these licenses by six-month periods until the future multiband auction is finalized and the new rights are attributed. This would be urgently needed to ensure service continuity and can, according to the BIPT, be treated by the government in current affairs.

Mobile access sharing agreement

Beginning of January 2020, the Belgian Competition Authority, in the procedure initiated by Telenet requesting interim measures, gave the BIPT until 16 March 2020 to further examine the sharing agreement between Proximus and Orange. The Belgian Competition Authority confirmed that these interim measures came to an end on 16 March. This allows the two operators to further implement the cooperation agreement, and the joint venture in charge of the mobile access network operations has been subsequently established and operational since 1 April 2020.

2.3 Outlook & Covid-19 impact

Over the first half of 2020, Covid-19 impacted the Proximus Group direct margin by EUR -34 million. This resulted from the free usage given to customers during the period of confinement, and especially from the decrease in roaming margin. Proximus' Consumer and Business segment were significantly affected by the travel bans, especially to non-EU destinations, while Proximus' Wholesale segment was impacted by lower visitor and instant roaming. Moreover, BICS carried a relatively high Covid-19 impact due to its world-wide travel ban exposure.

The negative Covid-19 direct margin impact was in part contained through an active management of expenses and capex investments, besides a direct favorable impact from the lockdown. To some degree a partial catch-up on these Opex and Capex savings is foreseen over the second half of 2020.

With the cost benefits included, **underlying EBITDA of the Proximus Group** for the first half of 2020 was negatively impacted by **Covid-19 effects for an estimated net amount of EUR -20 million**.

For the remainder of the year, Proximus expects its direct margin to be under further pressure, with travelling for the next two quarters likely to remain limited, especially for non-EU destinations, impacting both its Domestic operations and BICS. Whereas the sanitary crisis has accelerated the digitization journey of Enterprise customers, driving demand for Cloud and Security services, the business segment is expected to be exposed to increasing delays or cancellations of ICT projects. At the same time, Covid-19-related cost benefits are expected to be very limited in the second half of 2020, and some delayed commercial expenditures will occur in the second half. Therefore, **Proximus anticipates an additional net impact on its underlying Group EBITDA of about EUR -40 million for the second half of the year**.

While anticipating further Covid-19 EBITDA pressure, Proximus remains assured it can manage the level of capex for 2020 accordingly. It intends to do this by deprioritizing less strategic capex projects, while safeguarding its crucial Fiber, 5G and digital transformation plans, as such covering for the **expected full-year Group EBITDA Covid-19 impact of around EUR -60 million**.

Based on the results achieved so far, and taking into account its estimates for the remainder of the year, **Proximus is confident to meet the high end of its full-year 2020 outlook of EUR 780-800 million underlying Group EBITDA minus capex**, as was announced at the Capital Markets Day on 31 March 2020.

Proximus reiterates its intention to return over the result of 2020, 2021 and 2022 an annual gross dividend of EUR 1.2 per share, to be considered as a floor.

Table 11: Outlook

Guidance metric (EUR million)	FY19 Actuals	FY20 Guidance	YTD20 Actuals
EBITDA - CAPEX	844	780-800	523
Group underlying EBITDA	1,870	-	941
Capex (excluding Spectrum & football rights)	1,027	-	418

3 Consumer

- Solid net adds for both brands: Mobile postpaid +32,000, Internet +18,000 and TV +11,000
- Covid-19 impacting revenue trend, especially for Mobile Services and Other revenue. This impact aside, steady normal revenue trend, supported by growing customer base
- Convergent revenue up by 3.1%, driven by the uptake of Minimus and EPIC Combo; convergence rate progressing to 58.6% and ARPC +0.3% in spite of lower roaming revenue.
- +2.3% revenue from Fixed Services, supported by a growing Internet and TV customer base, the benefit from e-Press and the 1 January 2020 price indexation.
- Direct margin of EUR 514 million, +0.7% YoY.

3.1 Consumer revenue

Second quarter revenue impacted by Covid-19, steady normal business trend.

For the second quarter of 2020, **Proximus posted a total revenue of EUR 651 million for its Consumer segment, or -1.7% year-on-year** (see tables 13-14). Whereas the Consumer segment continued to be supported by its growing convergence revenue, the 1 January 2020 price indexation and e-Press, this was offset by negative effects from Covid-19. The latter mainly affected the Mobile services revenue and 'Other' revenue due to less reminder and reconnection fees following a temporary halt on the customer collection process. These Covid-19-related impacts aside, the normal business revenue trend remained rather steady and was supported by a good commercial performance.

+32,000 Postpaid net adds in Q2. ARPU pressured by lower out of bundle traffic and roaming.

Over the second quarter 2020, Proximus added 32,000 Postpaid cards, leading to a total base of 2,829,000[6] postpaid SIM cards by end-June 2020, up by +2.8% from the prior year. At least two-thirds of the second quarter net adds result from a strong commercial dynamic, supported by the success of Proximus' mobile offer revamp (1st of January) as well as by the continued uptake of its Mobile Joint Offers. The remaining third is related to a market-wide regulated[7] temporary halt to customer contract cessations. In the second quarter Proximus' postpaid churn level was historically low at 8.8%, 5.8 p.p. better compared to the prior year, with covid-19 muting customer rotation.

The achieved strong Postpaid customer growth was however more than offset by the -8.8% decrease in Postpaid ARPU to EUR 18.2. This included lower roaming traffic following virus-related travel bans, explaining the worsening relative to the prior quarter. Since Proximus launched its revamped mobile offer, out-of-bundle revenue has come down as expected, with customers benefitting from enlarged data bundles. This effect was reinforced by Proximus' Covid-19 customer gesture increasing all mobile bundles by 10 GB free of charge until mid-May. Moreover, the ARPU is ongoingly impacted by accounting allocation rules for revenue of Mobile Joint Offers, Mobile subscriptions in a Pack and e-Press, as of 1 December 2019 offered in Proximus' Internet packs. As a last point, the second- quarter ARPU was still somewhat impacted by International calling/texting regulation, with the effect annualizing mid-May 2020.

Overall, this led to a Consumer revenue from **Postpaid mobile services of EUR 153 million for the second quarter 2020, down year-on-year by -6.6%.**

In a declining and Covid-impacted market, with less customer intake and Postpaid conversions, the Proximus prepaid base decreased further by a net -35,000 Prepaid cards in the second quarter of 2020, with churn rising to 36.3%. This led to a total of 633,000 Prepaid cards, with an ARPU of EUR 6.6, down by EUR -0.3 year-on-year following the erosion in usage.

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[6] Excluding M2M cards

[7] As of mid-March, upon request of the regulator, Proximus has engaged itself not to disconnect telecom services in case of non-payment, except in case of fraud or other malpractice. The normal collection process is gradually being reintroduced since 1 July 2020.

With Postpaid and Prepaid revenue combined, the **Mobile service revenue showed a year-on-year decline of -7.3%** for the second quarter of 2020, totaling **EUR 166 million**.

+2.3% Fixed services revenue. TV and Internet compensating for Fixed Voice erosion.

The Consumer segment posted EUR 386 million revenue from Fixed Services for the second quarter of 2020, growing by 2.3% from the prior year and showing some improvement on the first quarter (+1.9%) following Proximus' growing base for Internet and TV. This more than compensated for the erosion in revenue from Fixed Voice lines and was further supported by e-Press and the 1 January 2020 price indexation.

In the second quarter, Proximus achieved good commercials combined with a full catch-up on the nearly 7,000 delayed installations following its decision mid-March to limit its customer installation operations to urgent interventions only. Furthermore, the quarter was marked by less customer rotation due to Covid-19, with very low churn levels following customers' reduced appetite to change, and a temporary halt on customer disconnections. This resulted in Proximus' Internet base growing in the second quarter by +18,000 and its TV base by +11,000, reaching a total base of 1,939,000 Internet and 1,641,000 TV subscribers.

+3.1% Convergent revenue. Growing convergence base partly offset Covid-19 roaming impact.

Of the EUR 651 million Consumer revenue in the second quarter of 2020, **EUR 546 million was X-Play service revenue** generated by Proximus' Customers/Small Offices base. The customer-driven **X-Play revenue was down by -0.4% from the prior year,** including a negative effect from the Covid-19 travel bans on all mobile components. Following the exceptional low churn levels in the quarter, and the temporary halt on the customer collection process, the total customer base increased by 14,000 over the second quarter to a total of 3,141,000.

Within the mix, revenue from convergent customers[8] showed further growth, up +3.1% compared with the prior year, and this for a large part compensated for the lower revenue from 1-Play Fixed and 1-Play Mobile. The convergence revenue benefitted from the progress in 3-Play convergent offers, driven by the uptake of Minimus and EPIC Combo, while the 4-Play customer base remained nearly stable with a total of 712,000 end-June.

End-June 2020, Proximus counted 1,091,000 convergent customers. As such, it increased its convergence rate to 58.6% on the total of Multi-Play customers, +2.2 p.p. up on the prior year.

The successful upselling strategy led to a year-on-year improvement in the average number of RGUs, up 0.6% to 2.62, and drove the positive evolution in the average revenue per customer (ARPC), up by 0.3% to EUR 58.1, in spite of the Covid-19-driven drop in roaming revenue.

3.2 Consumer direct margin

For the second quarter of 2020, the Consumer segment posted an increase by +0.7% in **direct margin to reach EUR 514 million,** with the Mobile revenue pressure more than offset by less interconnect[9] costs.

The impact from pro-active care initiatives linked to Covid-19, the Mobile portfolio revamp, a limited International calling/SMS regulation impact, and a decrease in reminder and reconnection fees was offset by the benefits from the 1 January 2020 price indexation, e-Press and ongoing cost improvements following digital adoption, notably on commissions.

The direct margin as a percentage of revenue was 79.1% for the second quarter, 1.9 p.p. above that of the year before.

[8] A convergent customer subscribes to at least one Fixed and Mobile Proximus offer.

[9] Interconnect/Inbound revenue is part of Wholesale. Interconnect costs are reported within the Consumer and Enterprise segments. On Group level, inbound margin is fairly neutral.

Table 12:

Consumer revenue by nature and direct margin

(EUR million)	2nd Quarter 2019	2nd Quarter 2020	2nd Quarter % Change	Year-to-date 2019	Year-to-date 2020	Year-to-date % Change
Revenue	661	651	-1.7%	1,326	1,316	-0.8%
Other Operating Income	7	7	-11.3%	14	12	-12.3%
Net Revenue	654	644	-1.5%	1,312	1,304	-0.6%
Of Which X-Play Revenue	*548*	*546*	*-0.4%*	*1,098*	*1,096*	*-0.1%*
Service Revenue	556	552	-0.8%	1,113	1,106	-0.6%
From Fixed	377	386	2.3%	759	775	2.1%
From Mobile	179	166	-7.3%	353	331	-6.3%
Postpaid	164	153	-6.6%	326	308	-5.5%
Prepaid	15	13	-15.3%	27	23	-15.2%
Terminals (fixed and mobile)	50	50	-1.8%	104	110	5.1%
*Of which revenue from joint offer devices (IFRS15 impact) **	*18*	*22*	*24.0%*	*35*	*47*	*34.1%*
Tango	28	28	0.6%	56	56	0.5%
ICT	7	7	-7.7%	15	14	-5.0%
Other Products	12	8	-35.9%	24	17	-28.6%
Costs of sales	-151	-136	-9.6%	-301	-290	-3.7%
Direct Margin	511	514	0.7%	1,025	1,026	0.1%
Direct Margin %	*77.2%*	*79.1%*	*1.9 p.p.*	*77.3%*	*78.0%*	*0.7 p.p.*

Estimated revenue from joint offer devices, before 2019 recognized as service revenue.

NOTE - In order to reconcile X-play revenues with Product net revenues, terminal sales, Tango, Prepaid, Fixed & Mobile other revenues and some smaller items need to be added.

Table 13:

Consumer operationals by nature

	2nd Quarter			Year-to-date		
	2019	2020	% Change	2019	2020	% Change
Park (000's)						
Fixed voice lines	1,915	1,800	-6.0%	1,915	1,800	-6.0%
Broadband lines	1,908	1,939	1.6%	1,908	1,939	1.6%
TV unique customers	1,622	1,641	1.2%	1,622	1,641	1.2%
Mobile postpaid cards excl. M2M	2,752	2,829	2.8%	2,752	2,829	2.8%
M2M	5	3	-50.3%	5	3	-50.3%
Mobile prepaid cards	721	633	-12.2%	721	633	-12.2%
Net adds (000's)						
Fixed voice lines	-25	-18		-53	-58	
Broadband lines	7	18		14	18	
TV unique customers	4	11		11	11	
Mobile postpaid cards excl. M2M	19	32		19	50	
M2M	1	-1		1	-1	
Mobile prepaid cards	-14	-35		-51	-53	
ARPC - all Plays (EUR)	58.0	58.1	0.3%	57.9	58.3	0.8%
ARPU (EUR)						
Mobile postpaid	19.9	18.2	-8.8%	19.9	18.3	-7.6%
Mobile prepaid	7.0	6.6	-5.0%	6.2	5.8	-5.7%
Annualized churn rate						
Mobile postpaid	14.5%	8.8%	-5.8 p.p.	15.6%	10.9%	-4.8 p.p.
Mobile prepaid	34.2%	36.3%	2.1 p.p.	34.4%	37.6%	3.2 p.p.
Average Mobile data usage/user/month (Mb)	3,388	4,714	39.2%	na	na	na

Note:

Following an improved alignment of the IFRS 15 allocation in the subcategories in the X-Play customer reporting, figures of 2019 and Q1 2020 have been adjusted accordingly to keep a meaningful comparable base.

Table 14:

Consumer X-Play view

	2nd Quarter			Year-to-date		
	2019	2020	% Change	2019	2020	% Change
Revenues x - play (EUR million)	548	546	-0.4%	1,098	1,096	-0.1%
Fixed-only	173	167	-3.6%	350	337	-3.8%
Mobile-only	73	68	-7.4%	142	136	-4.1%
Convergent	302	311	3.1%	605	623	2.9%
4-Play	213	215	1.0%	429	432	0.8%
3-Play	158	162	2.9%	317	325	2.4%
Convergent	72	79	9.8%	144	157	9.3%
Fixed	86	83	-3.0%	173	168	-3.3%
2-Play	67	66	-1.8%	136	133	-1.9%
Convergent	17	17	2.1%	33	34	2.4%
Fixed	51	49	-3.1%	103	99	-3.2%
1-Play	110	102	-6.9%	216	206	-4.7%
1P Fixed Voice	21	18	-16.1%	44	37	-15.8%
1P internet	15	17	7.9%	31	33	8.4%
1P Mobile	73	68	-7.4%	142	136	-4.1%
Customers per Play - Total (000's)	3,150	3,141	-0.3%	3,150	3,141	-0.3%
4-Play	713	712	-0.1%	713	712	-0.1%
3-Play	756	769	1.8%	756	769	1.8%
Convergent	253	290	14.7%	253	290	14.7%
Fixed	502	479	-4.6%	502	479	-4.6%
2-Play	391	381	-2.6%	391	381	-2.6%
Convergent	83	89	6.7%	83	89	6.7%
Fixed	308	292	-5.1%	308	292	-5.1%
1-Play	1,290	1,279	-0.8%	1,290	1,279	-0.8%
1P Fixed Voice	258	220	-14.6%	258	220	-14.6%
1P internet	164	184	11.8%	164	184	11.8%
1P Mobile	867	875	0.9%	867	875	0.9%
ARPC x - play (in EUR)	58.0	58.1	0.3%	57.9	58.3	0.8%
4-Play	99.9	100.8	0.9%	100.7	101.0	0.3%
3-Play	69.6	70.8	1.7%	69.9	71.0	1.6%
Convergent	96.2	92.7	-3.6%	96.8	93.6	-3.3%
Fixed	56.5	57.8	2.4%	56.9	58.0	2.0%
2-Play	57.0	57.7	1.3%	57.2	58.1	1.6%
Convergent	67.2	64.3	-4.3%	67.5	65.0	-3.7%
Fixed	54.3	55.7	2.7%	54.5	56.1	2.9%
1-Play	28.4	26.8	-5.6%	27.7	26.9	-2.9%
1P Fixed Voice	26.8	26.4	-1.6%	27.1	26.8	-1.0%
1P internet	31.4	30.7	-2.1%	31.4	31.0	-1.4%
1P Mobile	28.3	26.1	-7.8%	27.3	26.2	-4.1%
Average #RGUs per Customer - Total	2.60	2.62	0.6%	2.60	2.62	0.6%
4-Play	4.77	4.79	0.3%	4.77	4.79	0.3%
3-Play	3.26	3.27	0.3%	3.26	3.27	0.3%
Convergent	3.71	3.67	-1.1%	3.71	3.67	-1.1%
Fixed	3.03	3.02	-0.1%	3.03	3.02	-0.1%
2-Play	2.15	2.15	0.0%	2.15	2.15	0.0%
Convergent	2.46	2.44	-1.1%	2.46	2.44	-1.1%
Fixed	2.07	2.06	-0.1%	2.07	2.06	-0.1%
1-Play	1.15	1.15	0.0%	1.15	1.15	0.0%
1P Fixed Voice	1.06	1.05	-0.3%	1.06	1.05	-0.3%
1P internet	1.00	1.00	0.0%	1.00	1.00	0.0%
1P Mobile	1.21	1.22	0.2%	1.21	1.22	0.2%
Annualized full churn rate (Customer) - Total	13.8%	8.5%	-5.4 p.p.	15.0%	11.4%	-3.6 p.p.
4-Play	4.2%	2.3%	-1.8 p.p.	4.3%	3.6%	-0.7 p.p.
3-Play	10.7%	6.4%	-4.4 p.p.	11.9%	9.2%	-2.7 p.p.
2-Play	12.9%	9.0%	-3.9 p.p.	14.5%	11.8%	-2.7 p.p.
1-Play	21.2%	13.0%	-8.2 p.p.	22.9%	17.0%	-5.8 p.p.
Convergent Customers - Total (000's) *	1,049	1,091	4.0%	1,049	1,091	4.0%
% Convergent Customers - Total *	56.4%	58.6%	2.2 p.p.	56.4%	58.6%	2.2 p.p.
4-Play	100.0%	100.0%	0.0 p.p.	100.0%	100.0%	0.0 p.p.
3-Play	33.5%	37.7%	4.2 p.p.	33.5%	37.7%	4.2 p.p.
2-Play	21.2%	23.2%	2.0 p.p.	21.2%	23.2%	2.0 p.p.

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

4 Enterprise

- Proximus leading the Belgian M2M market, passing the 2 million mark, +33% SIM YoY.
- Growing mobile Postpaid customer base, net +9,000 cards.
- Mobile ARPU down on continued competitive price pressure and Covid-19 travel bans significantly decreasing roaming revenue.
- Ongoing migration from legacy Telecom services to new solutions.
- ICT revenue +2.2% YoY, mainly on product deals, with some Covid-19 impact on services.
- Covid-19 impact accelerates the direct margin decline to -7.0% YoY, following the loss of high-margin revenue.

4.1 Enterprise revenue

High roaming exposure led to additional revenue pressure.

Proximus' Enterprise segment was significantly exposed to the Covid-19 travel bans, with the second quarter normally involving a high level of business travel. This led to an additional revenue pressure, bringing **the Enterprise segment to EUR 327 million for the second quarter, a -4.5% decrease** on the same period of the prior year.

Solid growth in Mobile base. ARPU impacted by travel bans and competitive pressure.

The drop in roaming traffic pushed the **Mobile Services revenue down by -10.4% to EUR 67 million**, and largely explains the worsening on the prior quarter (-2.5%). The lockdown has triggered a positive effect on both national and international calling usage, offset by commercial gestures in Mobile services. The accelerated decline to -13% in Mobile ARPU for the second quarter, reaching EUR 19.8, is therefore fully attributed to the virus-related roaming loss, coming on top of the ongoing competitive pricing pressure.

Over the past three months, the Enterprise segment once again achieved a strong net growth in its mobile base, up by +9,000 Mobile cards to a total of 1,081,000 cards, M2M excluded (+2.7% compared to the prior year). The second-quarter churn level was at a low 8.2%, including a positive Covid-19 effect on customer stickiness.

+176,000 M2M cards activated, maintaining pole position.

The Enterprise segment posted another **strong increase in M2M** for the first quarter of 2020, with an additional 176,000 M2M cards activated. This was mainly related to the Smart metering[10] project with Fluvius, in addition to an ongoing growth in regular M2M cards. This brought the total number of M2M cards to 2,076,000 at end-June 2020, or a 33% increase from the prior year.

Decrease in Fixed Telecom Services revenue on eroding legacy services.

Fixed Telecom Services revenue totaled EUR 101 million, -6.9% lower year-on-year. The **Fixed Voice** park eroded by a limited -4,000 lines in the second quarter of 2020, with Covid-19 reducing the churn levels. End-June 2020, the Fixed Voice base totaled 484,000, i.e. a year-on-year line loss of -6.8%. The Fixed Voice ARPU eroded by -3.0% to EUR 29.0, including minor revenue loss following Proximus' Covid-19 commercial gesture, offering customers free national traffic from mid-March 2020 to mid-May. This could not be compensated for by an increase in Fix-to-Mobile traffic and the limited price indexation of 1 January 2020.

The Enterprise revenue from **Fixed Data services totaled EUR 59 million, down -4.7%** on the prior year, including an impact from lower installation activity and from commercial customer gestures. This aside, the usual trend continued with a growing Fiber park for Business customers, supporting Proximus' Explore solutions, being more than offset by the ongoing legacy outphasing and more

[10] As announced on 8 May 2018, Proximus launched its NB-IoT network for the connection of the digital meters of Fluvius. Commissioned by IBM and Sagemcom, Proximus will connect 1.3 million digital meters for gas and electricity, which Fluvius intends to roll out in Flanders by the end of 2022.

attractive customer pricing in a competitive market. Following up on the first quarter, Proximus continued to sign the first wave of SD-WAN deals in the second quarter.

Stable Internet customer base, ARPU lower.

Internet followed its ongoing trend of slight revenue decline. In a competitive setting, Proximus' Enterprise segment kept its Internet park stable at 132,000 lines end-June 2020, with an ARPU of EUR 43.1, -2.8% year-on-year.

ICT revenue up by 2.2%.

In spite of Covid-19 impacts on Proximus' ICT services, the Enterprise segment reported a **2.2% increase in its total ICT revenue**, reaching **EUR 131 million of** revenue for the second quarter of 2020. The year-on-year growth was mainly driven by product deals. Proximus' specialized ICT companies continued to provide support by bringing digital transformation solutions for professional customers and as such, they also help to secure core connectivity services.

Smart-mobility services impacted by Covid-19.

Proximus' Enterprise segment posted **EUR 9 million revenue from Advanced Business Services** for the second quarter of 2020. This contains Proximus' convergent solutions, and Smart mobility revenue from Be-Mobile[11]. The latter saw its automotive and parking revenues significantly impacted by Covid-19.

4.2 Enterprise direct margin[12]

The second-quarter 2020 direct margin totaled EUR 224 million, down -7.0% on the comparable base of 2019, following the loss of high-margin revenue. The Covid-19 impact aside, the direct margin trend remained fairly stable compared to the prior quarter.

The above resulted in a direct margin as a percentage of revenue for the second quarter of 68.3%, 1.8 p.p. below that of the prior year.

[11] As from November 2019, the inorganic contribution from Mediamobile in Be-Mobile has annualized.

[12] Note that headcount costs related to ICT-services which are charged to Enterprise customers are included in the Operational expenses reported on Group level.

Table 15: Enterprise revenue by nature and direct margin

(EUR million)	2nd Quarter			Year-to-date		
	2019	2020	% Change	2019	2020	% Change
Revenue	**343**	**327**	**-4.5%**	**694**	**670**	**-3.4%**
Other Operating Income	**2**	**1**	**-23.4%**	**3**	**3**	**-6.5%**
Net Revenue	**341**	**326**	**-4.4%**	**691**	**667**	**-3.4%**
Telecom Revenue	201	185	-8.0%	406	380	-6.4%
Service Revenue	184	168	-8.4%	367	344	-6.3%
Fixed Services	108	101	-6.9%	219	205	-6.2%
Voice	47	42	-9.9%	95	86	-9.6%
Data	61	59	-4.7%	123	119	-3.5%
Mobile Services	75	67	-10.4%	148	139	-6.5%
Terminals (fixed and mobile)	13	11	-13.4%	27	25	-8.5%
Tango	4	5	22.3%	12	11	-4.2%
ICT	128	131	2.2%	260	265	2.0%
Advanced Business Services	10	9	-7.3%	20	19	-1.9%
Other Products	2	1	-40.7%	6	3	-41.5%
Costs of Sales	**-102**	**-104**	**1.3%**	**-213**	**-215**	**1.3%**
Direct Margin	**240**	**224**	**-7.0%**	**482**	**455**	**-5.5%**
Direct Margin %	*70.1%*	*68.3%*	*-1.8 p.p.*	*69.4%*	*67.9%*	*-1.5 p.p.*

Table 16: Enterprise operationals

	2nd Quarter			Year-to-date		
	2019	2020	% Change	2019	2020	% Change
Park (000's)						
Fixed voice lines	519	484	-6.8%	519	484	-6.8%
Broadband lines	129	132	2.4%	129	132	2.4%
Mobile postpaid cards excl. M2M	1,053	1,081	2.7%	1,053	1,081	2.7%
M2M cards	1,561	2,076	33.0%	1,561	2,076	33.0%
Net adds (000's)						
Fixed voice lines	-12	-4		-21	-16	
Broadband lines	-2	0		-2	0	
Mobile postpaid cards excl. M2M	5	9		24	17	
M2M cards	133	176		234	298	
ARPU (EUR)						
Fixed voice	29.8	29.0	-3.0%	30.0	29.3	-2.4%
Boadband	44.4	43.1	-2.8%	44.3	43.3	-2.3%
Mobile postpaid	22.7	19.8	-13.0%	22.6	20.5	-9.5%
Annualized mobile postpaid churn rate	11.9%	8.2%	-3.7 p.p.	11.4%	10.1%	-1.3 p.p.
Average Mobile data usage/user/month (Mb)	2,413	2,499	3.6%	na	na	na

5 Wholesale

Table 17: Wholesale revenue and direct margin

	2nd Quarter			Year-to-date		
(EUR million)	2019	2020	% Change	2019	2020	% Change
Revenue	95	71	-24.9%	186	157	-15.4%
Net Revenue	94	71	-24.9%	186	157	-15.4%
Other Operating Income	0	0	-8.9%	0	0	-28.9%
Costs of Sales	-9	-6	-25.1%	-16	-14	-16.3%
Direct Margin	86	65	-24.9%	170	144	-15.3%
Direct Margin %	*90.9%*	*90.9%*	*0.0 p.p.*	*91.2%*	*91.3%*	*0.1 p.p.*

Declining mobile inbound & wholesale roaming revenues impacting revenue and direct margin.

For the second quarter of 2020, Proximus' **Wholesale segment reported revenue of EUR 71 million, -24.9% lower than in 2019**. The year-on-year trend worsened from prior quarters following the ongoing erosion in mobile inbound[13] that was reinforced by Covid-19 effects, with a temporary accelerated shift from SMS to OTT alternatives. The remaining year-on-year trend deterioration reflects the lower visitor and instant roaming revenues following the travel bans.

The **direct margin for the second quarter of 2020 totaled EUR 65 million, a -24.9%** decline compared with the prior year, following the revenue trend.

[13] See section 8.1 for reporting changes

6 BICS (International Carrier Services)

- **Continued volume increase in SMS A2P in the second quarter of 2020 and growing Mobile Identity and Numbering Business.**
- **Direct margin -5.3%, impacted by world-wide Covid-19 travel bans and continued MTN insourcing.**
- **Cost reduction by -3.3%, resulting from strong decrease in non-workforce expenses (-13.3%)**
- **Ebitda of EUR 35 million, down by 7.4% YoY.**
- **Ebitda margin progressed to a solid 12.1%.**

6.1 BICS revenue

For the second quarter of 2020, BICS posted a -11.2% decline in its revenue, totaling EUR 293 million. In line with the ongoing market trend, BICS' revenue mix continued to move from Voice to Data. Revenue from non-Voice products was up by 12.1% reaching EUR 128 million, driven by increasing A2P messaging revenue from TeleSign, partly offset by Covid-19 effects (impacting signaling and roaming services).

Revenue from Voice services showed an accelerated decline in the second quarter under impulse of continued market pressure, further re-enforced by negative Covid-19 effects on international roaming traffic. Furthermore, the anticipated progressive insourcing by MTN of the transport and management of its traffic explained the year-on-year revenue decline as well.

6.2 BICS direct margin

For the second quarter of 2020, **BICS posted a direct margin of EUR 76 million, down -5.3%** compared to the prior year, of which over EUR -5 million is related to Covid-19 effects on BICS' business. This impact aside, the direct margin variance would have been similar to the first quarter of the year.

The **Voice direct margin** was down by -13.3% year-on-year following the continued Voice decline, somewhat reinforced by a combined effect of progressive insourcing by MTN and Covid-19 impacts.

In contrast to the normal trend, this was not compensated for by growing **Data direct margin**. As a result of the travel bans, BICS generated less direct margin from signaling and mobile data roaming. This was only partly compensated for by a strong performance in the authentication business (A2P) and Mobile Identity services at TeleSign.

The direct margin as a percentage of revenue improved by 1.6 p.p. from the prior year to reach 25.9% in the second quarter of 2020.

6.3 BICS EBITDA

BICS' EBITDA for the second quarter of 2020 totaled EUR 35 million, down by 7.4% compared to the prior year, with the decrease in Direct Margin partly offset by lower expenses. Reduced travel and market expenses – resulting from the Covid-19 travel bans - more than offset the higher workforce expenses following the hiring at Telesign to fuel its growth. The EBITDA margin as a percentage of revenue further progressed to a 12.1%, +0.5 p.p.

Table 18:
BICS P&L

(EUR million)	2nd Quarter 2019	2nd Quarter 2020	2nd Quarter % Change	Year-to-date 2019	Year-to-date 2020	Year-to-date % Change
Revenue	329	293	-11.2%	648	600	-7.4%
Net Revenue	329	292	-11.2%	647	599	-7.4%
Other Operating Income	1	0	-36.1%	1	1	-41.2%
Costs of Sales	-249	-217	-13.1%	-489	-445	-9.0%
Direct Margin	80	76	-5.3%	159	155	-2.4%
Direct Margin %	*24.3%*	*25.9%*	*1.6 p.p.*	*24.5%*	*25.8%*	*1.3 p.p.*
Expenses	-42	-41	-3.3%	-86	-84	-2.2%
Workforce Expenses	-25	-26	3.7%	-50	-51	3.4%
Non Workforce Expenses	-17	-15	-13.3%	-36	-32	-10.0%
EBITDA	38	35	-7.4%	73	71	-2.6%
Contribution Margin	*11.6%*	*12.1%*	*0.5 p.p.*	*11.3%*	*11.9%*	*0.6 p.p.*

Table 19:
BICS revenue by nature

(EUR million)	**2nd Quarter 2019**	**2nd Quarter 2020**	**2nd Quarter % Change**	**Year-to-date 2019**	**Year-to-date 2020**	**Year-to-date % Change**
Total revenue	329	293	-11.2%	648	600	-7.4%
Voice	216	165	-23.5%	430	344	-19.9%
Non-Voice	114	128	12.1%	218	256	17.2%

Table 20:
BICS direct margin by nature

(EUR million)	**2nd Quarter 2019**	**2nd Quarter 2020**	**2nd Quarter % Change**	**Year-to-date 2019**	**Year-to-date 2020**	**Year-to-date % Change**
Total direct margin	80	76	-5.3%	159	155	-2.4%
Voice	34	29	-13.3%	68	60	-12.2%
Non-Voice	47	47	0.5%	91	95	4.9%

7 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. Cumulative half-year figures have been subject to a limited review by the independent auditor.

7.1 Accounting policies

The accounting policies and methods of the Group used as of 2020 are consistent with those applied in the 31 December 2019 consolidated financial statements, with the exception that the Group applied the new standards, interpretations and revisions that became mandatory for the Group on 1 January 2020. These have only a limited impact.

7.2 Judgements and estimates

In the context of Covid-19, the Group reassessed judgements and estimates in preparing these condensed consolidated financial statements. It concluded that Covid-19 had limited impact on the significant judgements mentioned under note 2 in the 31 December 2019 consolidated financial statements and that no new judgements and estimates are to be reported other than those mentioned below in this report.

Management assesses that the position with respect to the "Excess Profit" decision as recognized in the financial statements still reflects the best estimate of the probable outcome. On 11 January 2016, the European Commission announced its decision to consider Belgian tax rulings granted to multinationals with regard to "Excess Profit" as illegal state aid. BICS has applied such tax ruling for the period 2010-2014. BICS has paid the deemed aid recovery assessments. Furthermore, both BICS and the Belgian State filed an appeal against the decision of the European Commission before the European Court. The EU General Court ruled in its decision of 14 February 2019 in favor of the Belgian State against the European Commission based on the argument that there is no "state aid scheme". The European Commission filed an appeal against the aforementioned decision with the European Court of Justice (ECJ) on 24 April 2019. In addition, on 16 September 2019, the European Commission opened separate in-depth investigation into 39 individual excess profit rulings including the excess profit rulings obtained by BICS.

7.3 Significant events or transactions in 2020

Covid- 19

The main impacts of Covid-19 on the underlying EBITDA, operational activities, the major projects, and forward-looking assessments are disclosed in section 2.3.

Proximus reassessed the extent to which, amongst other facts, the high degree of uncertainty and any sudden changes in the short-term economic outlook are expected to result in impacts for the Group. In this context, the expected credit loss for the outstanding trade receivables was reassessed mainly based on the following criteria: the sector in which the customers operate, the relationship with the customers and their respective ageing. This review led to a limited increase of the bad debt provision.

EUR 150 million Private Placement Note

Proximus was granted a new 20-year Private Placement Note (under EMTN) of EUR 150 million starting 14 May 2020 with an annual fixed coupon of 1.5%.

Mwingz - Joint operation

In November 2019, Proximus and Orange Belgium entered into a strategic agreement to share a part of their mobile access networks. The shared mobile access network is planned, built and operated by a joint company, owned 50/50 by Proximus and Orange Belgium named MWingz which started its services to the shareholders in April.

The agreement is based on the following principles:

- The operators contractually share control of the agreement, i.e. decisions about the relevant activities require unanimous consent of the parties
- Mwingz exclusively delivers services to the parents.

In its consolidated financial statements, the Group consolidates Mwingz as a joint operation and recognizes its share in the assets and liabilities based on its ownership interest and its share in Mwingz costs from third parties. Revenues from the sale of joint operation services to Proximus and Orange Belgium are eliminated.

Tax on pylons

Evolutions in jurisprudence in the first half year of 2020 led the Group to reassess the liabilities related to Taxes on Pylons. This resulted in a positive impact of EUR 11 million in operating income (and more particularly as "incidental", see section 8.2.) and a positive impact of EUR 3 million in net finance cost.

Fit for Purpose transformation plan (FFP)

Following the call for voluntary leaves in the Fit for Purpose (FFP) transformation plan, employees working in impacted domains have chosen to voluntarily leave the company. In this context, 1347 FTEs are leaving Proximus, with the majority having left in the first quarter of 2020. In the first half of 2020 the balance of the FFP-related provisions was reassessed and decreased with EUR 12 million. This impact is reported as incidental together with other FFP-related costs (see section 8.2).

7.4 Consolidated income statement

(EUR million)	2nd Quarter 2019	2nd Quarter 2020	% Change	Year-to-date 2019	Year-to-date 2020	% Change
Net revenue	1,400	1,321	-5.7%	2,802	2,701	-3.6%
Other operating income	15	9	-39.2%	30	22	-26.2%
Total income	**1,415**	**1,330**	**-6.0%**	**2,832**	**2,723**	**-3.8%**
Costs of materials and services related to revenue	-488	-449	-8.0%	-976	-935	-4.2%
Workforce expenses	-303	-262	-13.6%	-613	-549	-10.4%
Non workforce expenses	-125	-118	-6.1%	-267	-242	-9.4%
Total operating expenses before depreciation & amortization	**-917**	**-829**	**-9.6%**	**-1,857**	**-1,727**	**-7.0%**
Operating income before depreciation & amortization	**498**	**501**	**0.5%**	**975**	**996**	**2.1%**
Depreciation and amortization (excluding lease depreciation)	-265	-264	-0.3%	-520	-523	0.5%
Lease depreciation	-22	-21	-2.0%	-43	-41	-4.6%
Operating income	**212**	**216**	**1.8%**	**412**	**433**	**4.9%**
Finance income	1	0	-73.8%	4	1	-74.9%
Finance costs	-15	-15	-0.7%	-28	-23	-19.3%
Lease interest	-1	-1	2.7%	-1	-1	13.3%
Net finance costs	**-14**	**-15**	**6.9%**	**-25**	**-23**	**-8.7%**
Share of loss on associates	0	0	-51.2%	-1	-1	94.5%
Income before taxes	**197**	**201**	**1.6%**	**387**	**408**	**5.6%**
Tax expense	-54	-51	-6.6%	-106	-100	-5.6%
Net Income	**143**	**150**	**4.7%**	**281**	**308**	**9.8%**
Attributable to:						
Equity holders of the parent (Group share)	138	145	4.7%	273	297	9.2%
Non-controlling interests	5	5	4.2%	8	11	31.1%
Basic earnings per share	0.43	0.45	4.8%	0.84	0.92	9.1%
Diluted earnings per share	0.43	0.45	4.8%	0.84	0.92	9.2%
Weighted average number of outstanding shares	322,967,142	322,775,110	-0.1%	322,818,657	322,847,333	0.0%
Weighted average number of outstanding shares for diluted earnings per share	322,997,341	322,776,892	-0.1%	322,871,706	322,855,418	0.0%

7.5 Consolidated statements of other comprehensive income

	2nd Quarter		Year-to-date	
(EUR million)	2019	2020	2019	2020
Net income	143	150	281	308
Other comprehensive income:				
Items that may be reclassified to profit and loss:				
Exchange differences on translation of foreign operations	-3	-6	1	1
Cash flow hedges:				
Transfer to profit or loss for the period	-1	0	-1	-1
Other	-1	0	0	-1
Total before related tax effects	-4	-6	0	-1
Related tax effects				
Income tax relating to items that may be reclassified	0	0	0	0
Total of items that may be reclassified to profit and loss, net of related tax effects	-4	-6	1	-1
Items that will not be reclassified to profit and loss:				
Change in shareholders' agreements	6	0	0	0
Total before related tax effects	6	0	0	0
Related tax effects				
Income tax relating to items that will not be reclassified	0	0	0	0
Total of items that will not be reclassified to profit and loss, net of related tax effects	6	0	0	0
Total comprehensive income	145	144	281	307
Attributable to:				
Equity holders of the parent	142	141	273	297
Non-controlling interests	4	3	9	11

7.6 Consolidated balance sheet

(EUR million)	As of 31 December 2019	As of 30 June 2020
ASSETS		
Non-current assets	7,160	7,034
Goodwill	2,477	2,478
Intangible assets with finite useful life	1,080	1,033
Property, plant and equipment	3,127	3,070
Right-of-use asset	307	301
Lease receivable	6	6
Contract costs	113	106
Investments in associates	2	0
Equity investments	0	1
Deferred income tax assets	16	10
Other non-current assets	31	29
Current assets	1,818	1,931
Inventories	133	138
Trade receivables	985	964
Lease receivable	3	0
Contract assets	97	103
Current tax assets	139	61
Other current assets	134	152
Investments	3	3
Cash and cash equivalents	323	510
TOTAL ASSETS	8,978	8,965

LIABILITIES AND EQUITY		
Equity	2,998	2,952
Shareholders' equity	2,856	2,825
Issued capital	1,000	1,000
Reserves	-500	-504
Retained earnings	2,356	2,329
Non-Controlling interests	142	126
Non-Current liabilities	3,616	3,675
Interest-bearing liabilities	2,360	2,510
Lease liabilities	243	231
Liability for pensions, other post-employment benefits and termination benefits	639	590
Provisions	137	134
Deferred income tax liabilities	110	106
Other non-current payables	127	103
Current liabilities	2,363	2,339
Interest-bearing liabilities	157	297
Lease liabilities	64	70
Liability for pensions, other post-employment benefits and termination benefits	225	109
Trade payables	1,284	1,235
Contract liabilities	116	126
Tax payables	28	22
Other current payables	490	479
TOTAL LIABILITIES AND EQUITY	8,978	8,965

7.7 Consolidated cash flow statement

	2nd Quarter			Year-to-date		
(EUR million)	2019	2020	Change	2019	2020	Change
Cash flow from operating activities						
Net income	143	150	4.7%	281	308	9.8%
Adjustments for:						
Depreciation and amortization	287	286	-0.4%	563	564	0.1%
Increase/(decrease) of provisions	-5	-4	-9.2%	-3	-3	30.2%
Deferred tax expense	-1	-1	94.3%	-1	1	>100%
Loss from investments accounted for using the equity method	0	0	-51.2%	1	1	94.5%
Loans amortization	0	0	1.9%	1	1	3.0%
Gain on disposal of consolidated companies and remeasurement of previously held interest	-4	0	<-100%	-4	0	<-100%
Gain on disposal of property, plant and equipment	0	0	>100%	-1	-1	51.2%
Operating cash flow before working capital changes	**422**	**430**	2.1%	**837**	**871**	4.0%
Decrease/(increase) in inventories	11	0	<-100%	-3	-6	64.3%
Decrease/(increase) in trade receivables	46	36	-20.6%	20	20	3.3%
Decrease/(increase) in contract costs	3	6	>100%	4	7	61.2%
Decrease/(increase) in contract asset	0	-1	>100%	0	-6	<-100%
Decrease/(increase) in current income tax assets	53	78	48.9%	53	78	48.6%
Decrease/(increase) in other current assets	13	14	8.3%	-21	-16	-26.9%
(Decrease/increase in trade payables	-30	-42	41.3%	-26	-9	-66.3%
(Decrease)/increase in contract liability	-17	-4	-74.5%	3	10	>100%
(Decrease)/increase in income tax payables	-57	-51	-10.2%	-10	-6	-40.0%
(Decrease)/increase in other current payables	-44	-21	-51.4%	14	-9	<-100%
(Decrease)/increase in net liability for pensions, other post-employment benefits and termination benefits	-11	-103	>100%	-19	-164	>100%
(Decrease)/increase in working capital, net of acquisitions and disposals of subsidiaries	**-34**	**-91**	**>100%**	**15**	**-103**	**<-100%**
Net cash flow provided by operating activities (1)	**387**	**339**	**-12.4%**	**852**	**768**	**-9.9%**
Cash flow from investing activities						
Acquisitions of intangible assets and property, plant and equipment	-247	-187	-24.4%	-474	-418	-11.7%
(Decrease/increase in trade payables related to acquisitions of intangible assets and property, plant and equipment	11	-34	<-100%	-62	-60	-2.4%
Cash paid for acquisitions of other participating interests	-1	0	<-100%	-1	0	-83.1%
Cash paid for acquisition of consolidated companies, net of cash acquired	-3	-2	-43.1%	-41	-2	-95.6%
Cash received for sales of consolidated companies, net of cash disposed of	0	0	-	7	0	<-100%
Cash received from sales of intangible assets and property, plant and equipment	0	0	-59.4%	1	2	98.4%
Net cash received from other non-current assets	0	3	>100%	0	3	>100%
Net cash used in investing activities	**-240**	**-219**	**-8.6%**	**-569**	**-476**	**-16.4%**
Cash flow before financing activities	**147**	**120**	**-18.5%**	**283**	**292**	**3.3%**
Lease payments	-18	-20	**11.3%**	-42	-40	**-3.8%**
Free cash flow (2)	**129**	**100**	**-22.7%**	**241**	**252**	**4.5%**
Cash flow from financing activities other than lease payments						
Dividends paid to shareholders	-324	-323	-0.2%	-325	-323	-0.4%
Dividends to and transactions with non-controlling interests	-29	-26	-11.5%	-29	-26	-11.5%
Net sale of treasury shares	7	0	<-100%	9	-5	<-100%
Cash received from cash flow hedge instrument related to long term debt	-1	0	-60.5%	-1	-1	>100%
Issuance of long term debt	0	149	-	100	149	49.6%
Issuance/(repayment) of short term debt	192	297	55.0%	-40	141	>100%
Cash flows used in financing activities other than lease payments	**-156**	**97**	**>100%**	**-287**	**-65**	**-77.2%**
Exchange rate impact	0	-1	>100%	0	0	-15.6%
Net increase/(decrease) of cash and cash equivalents	**-27**	**196**	**>100%**	**-46**	**187**	**>100%**
Cash and cash equivalents at 1 January			-	340	323	-4.9%
Cash and cash equivalents at the end of the period			-	294	510	73.3%
(1) Net cash flow from operating activities includes the following cash movements :						
Interest paid				-31	-30	
Interest received				0	0	
Income taxes paid				-65	-26	
(2) Free cash flow: cash flow before financing activities and after lease payments						

7.8 Consolidated statements of changes in equity

(EUR million)	Issued capital	Treasury shares	Restricted reserve	Equity instruments and hedge reserve	Other remeasure-ment reserve	Foreign currency translation	Stock Compen-sation	Retained Earnings	Shareholders' Equity	Non-controlling interests	Total Equity
Balance at January 1, 2019	1,000	-427	100	6	-155	3	4	2,474	3,005	148	3,153
Total comprehensive income	0	0	0	-1	0	1	0	273	273	9	281
Dividends to shareholders (relating to 2018)	0	0	0	0	0	0	0	-323	-323	0	-323
Dividends of subsidiaries to non-controlling interests	0	0	0	0	0	0	0	0	0	-29	-29
Business combination	0	0	0	0	0	0	0	-2	-2	2	0
Changes in shareholders' equity	0	0	0	0	0	0	0	-6	-6	0	-6
Treasury shares											
Sale of treasury shares	0	4	0	0	0	0	0	2	6	0	6
Stock options											
Exercise of stock options	0	3	0	0	0	0	0	0	3	0	3
Total transactions with equity holders	0	7	0	0	0	0	0	-329	-322	-28	-350
Balance at 30 June 2019	1,000	-420	100	6	-155	3	4	2,417	2,955	129	3,084
Balance per 1 January 2020	1,000	-421	100	6	-194	5	4	2,356	2,856	142	2,998
Total comprehensive income	0	0	0	-1	0	1	0	297	297	11	307
Dividends to shareholders (relating to 2019)	0	0	0	0	0	0	0	-323	-323	0	-323
Dividends of subsidiaries to non-controlling interests	0	0	0	0	0	0	0	0	0	-26	-26
Treasury shares											
Sale of treasury shares	0	-4	0	0	0	0	0	-1	-5	0	-5
Issue of share capital											
Total transactions with equity holders	0	-3	0	0	0	0	0	-324	-327	-26	-354
Balance at 30 June 2020	1,000	-424	100	4	-194	6	3	2,329	2,825	126	2,952

7.9 Segment reporting

See reconciliation of reported and underlying figures in section 8.2

	30 June 2020									
	Group Proximus				Underlying by segment					
(EUR million)	Reported (IFRS 16)	Lease depreciation and interest	Incidental	Underlying	BICS	Domestic (Group excl. BICS)	Consumer	Enterprise	Wholesale	Others
Net revenue	2,701	0	0	2,701	599	2,101	1,304	667	157	-27
Other revenues	22	0	0	22	1	21	12	3	0	6
Total income	**2,723**	**0**	**0**	**2,723**	**600**	**2,123**	**1,316**	**670**	**157**	**-21**
Costs of materials and services related to revenue	-935	-1	0	-937	-445	-491	-290	-215	-14	28
Direct margin	**1,788**	**-1**	**0**	**1,786**	**155**	**1,631**	**1,026**	**455**	**144**	**7**
Workforce expenses	-549	0	-6	-555	-51	-504				
Non workforce expenses	-242	-41	-7	-290	-32	-258				
Total other operating expenses	**-791**	**-41**	**-13**	**-845**	**-84**	**-761**				
Operating income before depreciation & amortization	**996**	**-42**	**-13**	**941**	**71**	**870**				
Depreciation and amortization	-564									
Operating income	**433**									
Net finance costs	-23									
Share of loss on associates	-1									
Income before taxes	**408**									
Tax expense	-100									
Net income	**308**									
Attributable to :										
Equity holders of the parent (Group share)	297									
Non-controlling interests	11									

	30 June 2019									
	Group Proximus				Underlying by segment					
(EUR million)	Reported (IFRS 16)	Lease depreciation and interest	Incidental	Underlying	BICS	Domestic (Group excl. BICS)	Consumer	Enterprise	Wholesale	Others
Net revenue	2,802	0	0	2,802	647	2,155	1,312	691	186	-34
Other revenues	30	0	-4	26	1	25	14	3	0	8
Total income	**2,832**	**0**	**-4**	**2,828**	**648**	**2,180**	**1,326**	**694**	**186**	**-26**
Costs of materials and services related to revenue	-976	-2	0	-979	-489	-489	-301	-213	-16	41
Direct margin	**1,856**	**-2**	**-4**	**1,849**	**159**	**1,691**	**1,025**	**482**	**170**	**15**
Workforce expenses	-613	0	18	-595	-50	-545				
Non workforce expenses	-267	-41	1	-307	-36	-271				
Total other operating expenses	**-880**	**-41**	**19**	**-902**	**-86**	**-817**				
Operating income before depreciation & amortization	**975**	**-44**	**15**	**947**	**73**	**874**				
Depreciation and amortization	-563									
Operating income	**412**									
Net finance costs	-25									
Share of loss on associates	-1									
Income before taxes	**387**									
Tax expense	-106									
Net income	**281**									
Attributable to :										
Equity holders of the parent (Group share)	273									
Non-controlling interests	8									

7.10 Disaggregation of revenue

(EUR million)	As of 30 June 2020						
	Group	BICS	Domestic (Group excl. BICS)	Consumer	Enterprise	Wholesale	Others
Net revenue (underlying)	2,701	599	2,101	1,304	667	157	-27
Net revenue (incidentals)	0	0	0	0	0	0	0
Net revenue (reported)	**2,701**	**599**	**2,101**	**1,304**	**667**	**157**	**-27**
Other operating income (underlying)	22	1	21	12	3	0	6
Other operating income (incidentals)	0	0	0	0	0	0	0
Other operating income (reported)	**22**	**1**	**21**	**12**	**3**	**0**	**6**
Total income (underlying)	2,723	600	2,123	1,316	670	157	-21
Total income (incidentals)	0	0	0	0	0	0	0
Total income (reported)	**2,723**	**600**	**2,123**	**1,316**	**670**	**157**	**-21**

(EUR million)	As of 30 June 2019						
	Group	BICS	Domestic (Group excl. BICS)	Consumer	Enterprise	Wholesale	Others
Net revenue (underlying)	2,802	647	2,155	1,400	702	87	-34
Net revenue (incidentals)	0	0	0	0	0	0	0
Net revenue (reported)	**2,802**	**647**	**2,155**	**1,400**	**702**	**87**	**-34**
Other operating income (underlying)	26	1	25	14	3	0	8
Other operating income (incidentals)	4	0	4	0	4	0	0
Other operating income (reported)	**30**	**1**	**29**	**14**	**7**	**0**	**8**
Total income (underlying)	2,828	648	2,180	1,413	705	88	-26
Total income (incidentals)	4	0	4	0	4	0	0
Total income (reported)	**2,832**	**648**	**2,184**	**1,413**	**709**	**88**	**-26**

7.11 Group financing activities related to interest-bearing liabilities

(EUR million)	As of 31 December 2019	Cash flows	Non-cash changes	As of 30 June 2020
Long-term				
Unsubordinated debentures	1,953	149	1	2,103
Credit institutions	402	0	0	402
Derivatives held for trading	5	0	0	5
Current portion of amounts payable > one year				
Credit institutions held to maturity	1	0	0	0
Other financial debts				
Credit institutions	0	297	0	297
Other loans	156	-156	0	0
Total liabilities from financing activities excluding lease liabilities	2,517	290	1	2,808
Lease liabilities current and non current	307	-40	35	302
Total liabilities from financing activities including lease liabilities	2,824	250	36	3,109

(EUR million)	As of 1 January 2019 IFRS 16	Cash flows	Non-cash changes	As of 30 June 2019
Long-term				
Unsubordinated debentures	1,852	100	1	1,952
Credit institutions	403	0	0	403
Other loans	0	0	0	0
Derivatives held for trading	4	0	0	5
Current portion of amounts payable > one year				
Unsubordinated debentures	0	0	0	0
Credit institutions held to maturity	1	0	0	0
Other financial debts				
Credit institutions	0	0	0	0
Other loans	232	-40	0	192
Total liabilities from financing activities excluding lease liabilities	2,492	59	1	2,552
Lease liabilities current and non current	290	-42	82	331
Total liabilities from financing activities including lease liabilities	2,782	18	83	2,884

7.12 Financial instruments

IAS 34 16 A (j) requires the interim reporting to provide specific fair value disclosures and in particular the following information:

- The carrying amounts and fair values of the financial instruments;
- The categorization of the fair valued financial instruments within the fair value hierarchy;
- The fair valuation techniques used.

The Group's main financial instruments comprise unsubordinated debentures, trade receivables and trade payables. The Group has an interest rate and currency swap (IRCS) to manage its exposure to interest rate risk and to foreign currency risk on its remaining non-current interest-bearing liability yielded in foreign currency. The typical financial instruments used to hedge foreign currency risk are forward foreign exchange contracts and currency options.

Fair Value and Fair Value Hierarchy

The following table shows the measurement categories under IFRS 9 for each class of assets and financial liabilities. It also includes the fair value hierarchy of the financial instruments and the valuation levels.

(EUR million)	As of 30 June 2020			
	Classification	Carrying amount	Fair value	Level
ASSETS				
Non-current assets				
Equity instruments	FVTOCI	1	1	
Other non-current assets				
Derivatives held for trading	FVTPL	5	5	Level 2
Other financial assets	Amortized cost	7	7	
Current assets				
Trade receivables	Amortized cost	964	964	
Interest bearing				
Other receivables	Amortized cost	1	1	
Non-interest bearing				
Other receivables	Amortized cost	13	13	
Investments	Amortized cost	3	3	
Cash and cash equivalents				
Short-term deposits	Amortized cost	201	201	
Cash at bank and in hand	Amortized cost	309	309	
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities				
Unsubordinated debentures not in a hedge relationship	Amortized cost	2,103	2,232	Level 2
Credit institutions	Amortized cost	402	417	Level 2
Derivatives held for trading	FVTPL	5	5	Level 2
Non-interest-bearing liabilities				
Other non-current payables	Amortized cost	103	103	
Current liabilities				
Interest-bearing liabilities				
Other loans	Amortized cost	297	297	Level 1
Trade payables	Amortized cost	1,235	1,235	
Other current payables				
Other derivatives	FVTPL	1	1	Level 1
Other debt	FVTPL	6	6	Level 3
Other amounts payable	Amortized cost	249	249	

FVTPL : fair value through profit and loss

FVTOCI : fair value through other comprehensive income

(EUR million)	As of 30 June 2019			
	Classification	Carrying amount	Fair value	Level
ASSETS				
Non-current assets				
Equity instruments	FVTOCI	1	1	
Other non-current assets				
Derivatives held for trading	FVTPL	6	6	Level 2
Other financial assets	Amortized cost	11	11	
Current assets				
Trade receivables	Amortized cost	1,018	1,018	
Interest bearing				
Other receivables	Amortized cost	6	6	
Non-interest bearing				
Other receivables	Amortized cost	9	9	
Investments	Amortized cost	4	4	
Cash and cash equivalents				
Short-term deposits	Amortized cost	97	97	
Cash at bank and in hand	Amortized cost	197	197	
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities				
Unsubordinated debentures not in a hedge relationship	Amortized cost	1,952	2,113	Level 2
Credit institutions	Amortized cost	403	416	Level 2
Derivatives held for trading	FVTPL	5	5	Level 2
Non-interest-bearing liabilities				
Other non-current payables	Amortized cost	140	140	
Current liabilities				
Interest-bearing liabilities				
Other loans	Amortized cost	192	192	
Trade payables	Amortized cost	1,261	1,261	
Other current payables				
Other debt	FVTPL	14	14	Level 3
Other amounts payable	Amortized cost	248	248	

FVTPL : fair value through profit and loss

FVTOCI : fair value through other comprehensive income

Valuation technique

The Group holds financial instruments classified in Level 1, 2 and 3.

The valuation techniques for fair value measuring the Level 2 & 3 financial instruments are:

Other derivatives in Level 2

Other derivatives include the interest rate swaps (IRS) and interest rate and currency swaps (IRCS) the Group entered into to reduce the interest rate and currency fluctuations on some of its long-term debentures (including their current portion). The fair values of these instruments are determined by discounting the expected contractual cash flows using interest rate curves in the corresponding currencies and currency exchange rates, all observable on active markets.

Unsubordinated debentures

The unsubordinated debentures are recognized at amortized costs.

In case of anticipated settlement, in the context of the Group portfolio restructuring, those debentures are measured at their transaction price once the transaction is binding for the Group. Their fair values, calculated for each debenture separately, were obtained by discounting the interest rates at which the Group could borrow at period end for similar debentures with the same remaining maturities.

Other debts in level 3

Level 3 financial instruments valuation is not based on observable market data. Instead, its fair value is derived using financial models and other valuation methods. To the extent possible, the underlying assumptions take into account market pricing information. Valuation changes due to new information could impact the income statement.

7.13 Contingent liabilities

Compared to the 2019 annual accounts, no change occurred in the first half of 2020 in the contingent liabilities other than those mentioned below:

BICS received withholding tax assessments from the Indian tax authorities in relation to payments made by an Indian tax resident customer to BICS in the period 1 April 2007 to 31 March 2011. BICS filed appeals against the assessments for the period 1 April 2007 to 31 March 2010 with the competent Indian Courts opposing the view of the Indian tax authorities that Indian withholding taxes are due on the payments. Furthermore, BICS is opposing the assessments in relation to the periods from 1 April 2008 to 31 March 2010 on procedural grounds. BICS will file an appeal against the assessment for the period 1 April 2010 to 31 March 2011 on procedural grounds. The amount of the contingent liability including late payment interest relating to this case should not exceed EUR 29 million. BICS has not paid the assessed amounts and has not recorded a tax provision. Management assesses that the position as recognized in the financial statements reflects the best estimate of the probable outcome.

7.14 Post balance sheet events

There are not no post balance sheet events to be reported for the second quarter 2020.

7.15 Others

There has been no material change to the information disclosed in the 2019 annual consolidated financial statements in connection with related parties that would require disclosure under the Financial Reporting Framework.

8 Additional information

8.1 Reporting changes and remarks

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

x-Play customer view

Following an improved alignment of the IFRS 15 allocation in the subcategories in the X-Play customer reporting, figures of 2019 and Q1 2020 have been adjusted accordingly to keep a meaningful comparable base.

8.2 From Reported to Underlying

	GROUP Revenue		GROUP EBITDA		GROUP Revenue		GROUP EBITDA	
(EUR million)	Q2 '19	Q2 '20	Q2 '19	Q2 '20	YTD '19	YTD '20	YTD '19	YTD '20
Reported	1,415	1,330	498	501	2,832	2,723	975	996
Lease Depreciations	0	0	-22	-21	0	0	-43	-41
Lease Interest	0	0	-1	-1	0	0	-1	-1
Incidentals	-2	0	8	-2	-4	0	15	-13
Underlying	1,413	1,330	484	477	2,828	2,723	947	941
Incidentals	-2	0	8	-2	-4	0	15	-13
Capital gains on building sales								
Early Leave Plan and Collective Agreement			6				12	1
Fit For Purpose Transformation Plan				-9			2	-7
Shift to Digital plan								
M&A-related transaction costs			3	2			5	4
Change in M&A contingent consideration	-2		-2		-4		-4	
Pylon Tax provision update (re. past years)			1	5			1	-11
Others								

*The incidental costs related the to the Shift to Digital plan represent mainly exceptional costs linked to the optimization of Proximus' sales channel footprint following its increased focus on e-Sales.

The positive incidental on the Fit for Purpose transformation plan mainly results from a provision update following a reviewed real (official) pension date of employees in the 58+ plan.

The Pylon Tax provision update in the second quarter relates to historical provisions, which have been reassessed following an unfavorable court judgement.

8.3 Definitions

Adjusted Net Financial Position: refers to the total interest-bearing debt (short term + long term) minus short-term investments, cash and cash equivalents, including related derivatives and excluding lease liabilities.

Advanced Business Services: new solutions offered aside from traditional Telecom and ICT, such as Road User Charging, converging solutions, Big Data and smart mobility solutions.

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

Annualized Mobile churn rate: the total annualized number of SIM cards disconnected from the Proximus Mobile network (including the total number of port-outs due to Mobile number portability) during the given period, divided by the average number of customers for that same period.

ARPC: Average underlying revenue per customer (including Small Offices).

ARPU: Average Revenue per Unit.

Average Mobile data usage: calculated by dividing the total data usage of the quarter by the number of data users of the quarter.

Broadband access channels: ADSL, VDSL and Fiber lines. For Consumer this also includes Scarlet.

Broadband ARPU: 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.

BICS: international carrier activities, a joint venture of Proximus, Swisscom and MTN in which Proximus owns 57.6%.

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

Consumer: segment addressing the residential and small businesses (< 10 employees) market, including the Customer Operations Unit.

Convergence rate: convergent customers/small offices take both Fixed and Mobile services of Proximus. The convergence rate refers to the percentage of convergent customers/small offices on the total of multi-play customers/small offices

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

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

Domestic: defined as the Proximus Group excluding BICS.

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

EBIT: Earnings Before Interest & Taxes, corresponds to EBITDA minus depreciations and amortizations.

Enterprise: segment addressing the professional market including small businesses with more than 10 employees.

Fixed Services Revenue: total underlying revenue from Fixed services (Fixed Voice, Broadband and TV).

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

Free Cash Flow: this is cash flow before financing activities, but after lease payments as from 2019.

ICT: Information and Communications Technology (ICT) is an extended term for information technology (IT) which stresses the role of unified communications and the integration of telecommunications (telephone lines and wireless signals), computers as well as necessary enterprise software, middleware, storage, and audio-visual systems, which enable users to access, store, transmit, and manipulate information. Proximus' ICT solutions include, but are not limited to, Security, Cloud, "Network & Unified Communication", "Enterprise Mobility Management" and "Servicing and Sourcing".

Incidental: adjustments for material (**) items including gains or losses on the disposal of consolidated companies, fines and penalties imposed by competition authorities or by the regulator, costs of employee restructuring programs, the effect of settlements of post-employment benefit plans with impacts for the beneficiaries, and other items that are outside the scope of usual business operations. These other items include divestments of consolidated activities, gains and losses on disposal of buildings, transaction costs related to M&A (acquisitions, mergers, divestments etc.), deferred M&A purchase price, pre-identified one-shot projects (such as rebranding costs), changes of accounting treatments (such as the application of IFRIC 21), financial impacts of litigation files, fines and penalties, financial impact of law changes (one-off impact relative to previous years), recognition of previously unrecognized assets and impairment losses.

(**) The materiality threshold is met when exceeding individually EUR 5 million. No materiality threshold is defined for costs of employee restructuring programs, the effect of settlements of post-employment benefit plans with impacts for the beneficiaries, divestments of consolidated companies, gains and losses on disposal of buildings and M&A-related transaction costs. No threshold is used for adjustments in a subsequent quarter if the threshold was met in a previous quarter.

Instant roaming: reselling of wholesale roaming agreements to third parties in order to allow them to have roaming coverage without negotiating individual local agreements per country.

Mobile customers: 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 ARPU: monthly ARPU is equal to total Mobile Voice and Mobile Data revenues (inbound and outbound, visitor roaming excluded), divided by the average number of Active Mobile Voice and Data customers for that period, divided by the number of months of that same period. This also includes MVNOs but excludes M2M.

Multi-play customer (including Small Offices): two or more Plays, not necessarily in a Pack.

Net Financial Position: refers to the total interest-bearing debt (short term + long term) minus short-term investments, cash and cash equivalents, including related derivatives.

Non-workforce expenses: all operating expenses excluding workforce expenses and excluding depreciation and amortization and non-recurring expenses.

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

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.

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.

Reported Revenues: this corresponds to the TOTAL INCOME.

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

Underlying: refers to Revenue and EBITDA (Total Income and Operating Income before Depreciation and Amortization) adjusted for lease depreciations and interest as from 2019 and for incidentals in order to properly assess the ongoing business performance.

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

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).

8.4 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 Executive Committee is represented by Guillaume Boutin, Chief Executive Officer, Katleen Vandeweyer, Chief Financial Officer a.i., Anne-Sophie Lotgering, Chief Enterprise Market Officer, Jim Casteele, Chief Consumer Market Officer, Geert Standaert, Chief Technology Officer, Renaud Tilmans, Chief Customer Operations Officer, Jan Van Acoleyen, Chief Human Resources Officer, and Dirk Lybaert, Chief Corporate Affairs Officer.

8.5 Financial calendar

(dates could be subject to change)

31 July 2020	Announcement of Q2 2020 results
12 October 2020	Start of quiet period ahead of Q3 2020 results
30 October 2020	Announcement of Q3 2020 results
18 January 2021	Start of quiet period ahead of Q4 2020 results
26 February 2021	Announcement of Q4 2020 results
12 April 2021	Start of quiet period ahead of Q1 2021 results
21 April 2021	Annual general meeting of Shareholders (AGM)
30 April 2021	Announcement of Q1 2021 results
12 July 2021	Start of quiet period ahead of Q2 2021 results
30 July 2021	Announcement of Q2 2021 results
11 October 2021	Start of quiet period ahead of Q3 2021 results
29 October 2021	Announcement of Q3 2021 results

8.6 Contact details

Investor relations
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8.7 Investor and Analyst Conference Call

Analyst conference call details

Proximus will host a conference call for investors and analysts on Friday 31 July 2020.

Time: 02:00pm Brussels – 01:00pm London – 08:00am New York

Dial-in UK	+44 20 7194 3759
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