

Investor & analyst presentation

25 October, 2024



Guillaume Boutin
Chief Executive Officer



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Agenda

- Highlights
- Financial & Operational performance
- Q&A



Q3 2024 Highlights



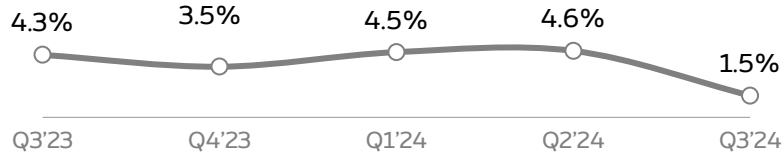
Solid performance in Q3'24 supports guidance upgrade

Full year guidance for 2024 up to 3% Group EBITDA growth

Domestic

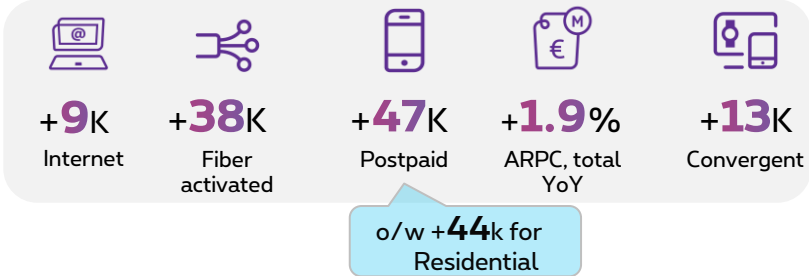
Revenue

Growing customer base, price indexation (%YoY)



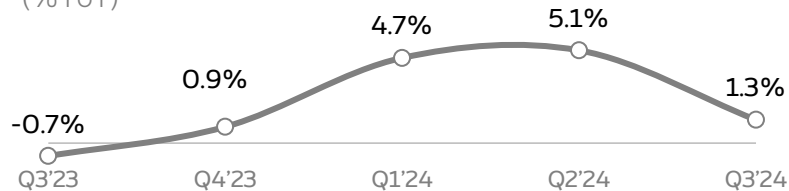
Continued solid customer gain

Net adds



EBITDA

DM growth and moderating OpEx increase (%YoY)

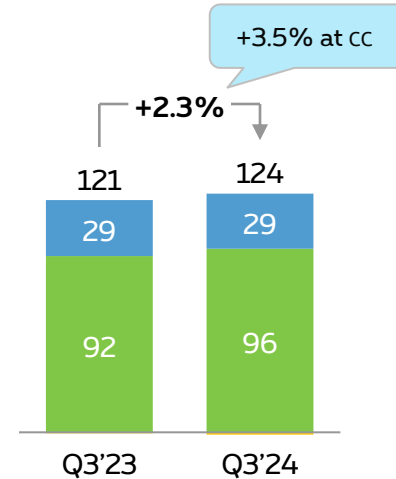


International

Direct margin

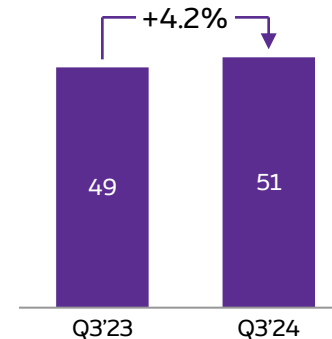
(m€, %YoY on pro forma basis)

■ P2P Voice & Messaging
■ Communications & Data



+4.2% EBITDA

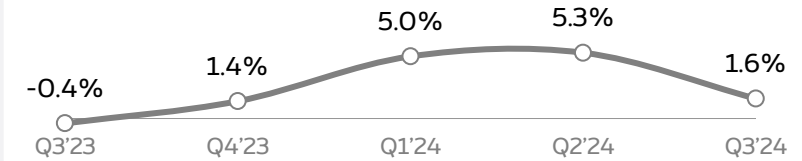
(m€, %YoY on pro forma basis)



Group

Q3'24 EBITDA of 480M€, up +1.6%

(on pro forma basis)



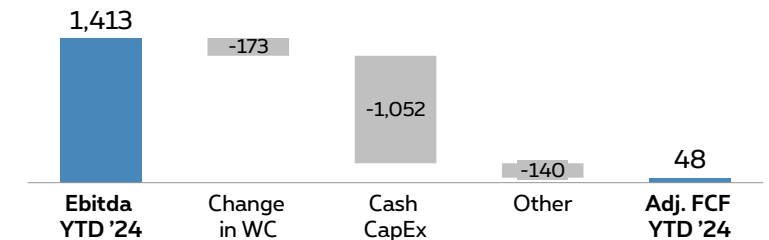
YTD CapEx

(m€, accrued on pro forma basis)



YTD adj. FCF of 48€M

reflecting investments and WC timing (m€)



Continuing strategic execution, laying transformational foundation for both Domestic & International front



Best networks in Belgium.

Mobile network consolidation moving ahead & >2M HP Fiber with 100% ownership, Fiber MoU negotiations ongoing



Successfully completed the **carve-out our IT activities**; closing a good quarter of customers' wins



Asset sales progressing, **Data Centers agreement signed**, new RFP launched for HQ, bids expected in Q4



Entering **strategic partnerships**, initial international **synergies** materializing



Successful **completion of mandatory sell-down in Route Mobile**, attracting significant investor interest



Proximus and partners **deploying Fiber in 167 cities**

167 

Cities and municipalities
with Fiber works
ongoing

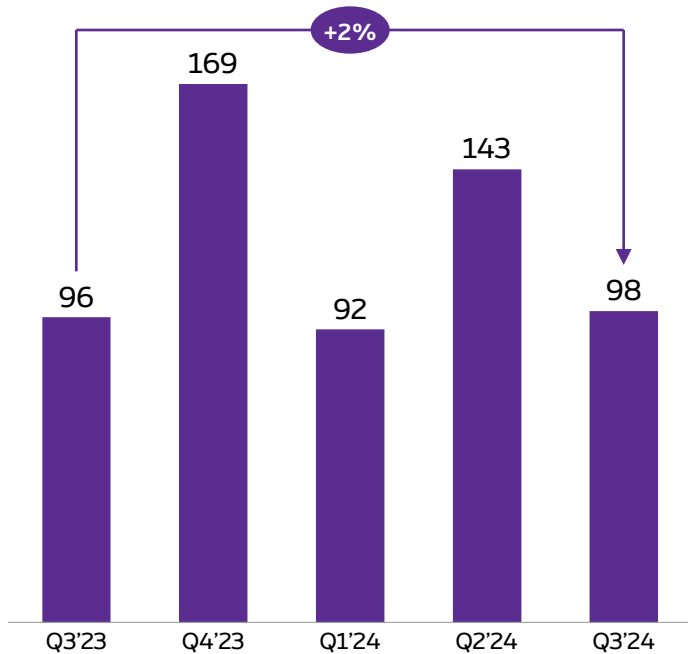


2 million Fiber HP milestone crossed

Fiber HP footprint nearly 35%; and “Fiber in the street” at ~40%

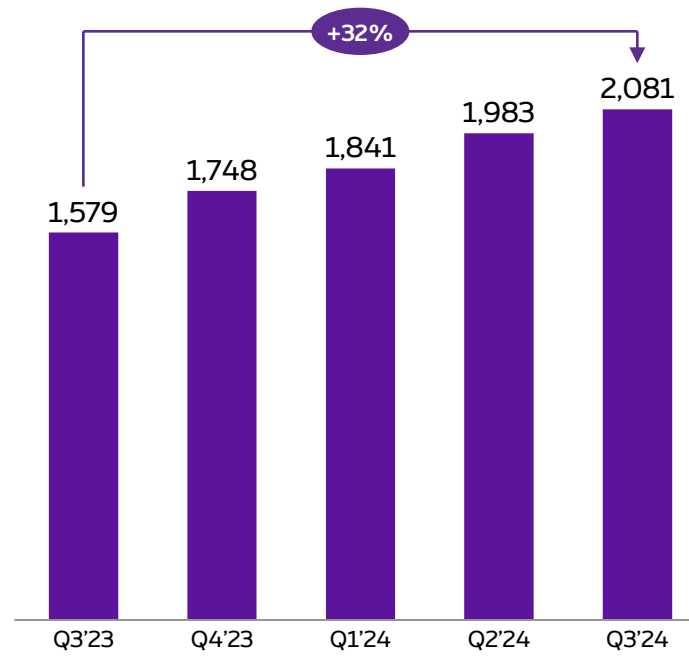
+98k Fiber Homes & Businesses Passed in Q3

(in K, additions in the period, Proximus and JVs)



2,081k Fiber Homes & Businesses Passed end-Q3

(in K, total base of premises)



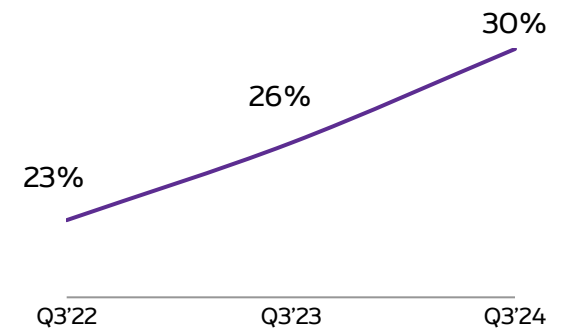
~40% Fiber in the street

302k living units funnel

2.4M premises coverage

Fiber in the street

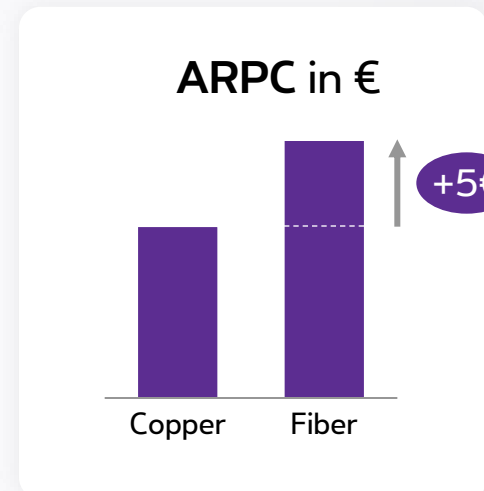
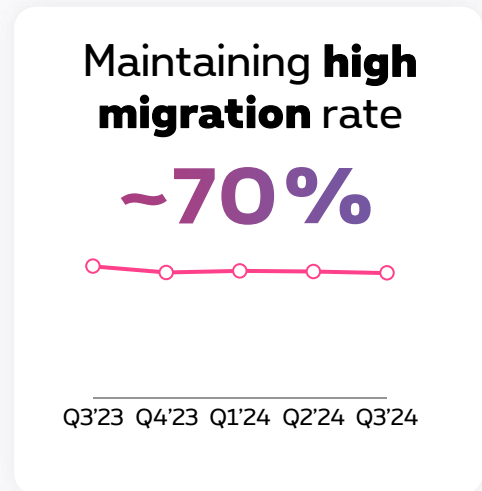
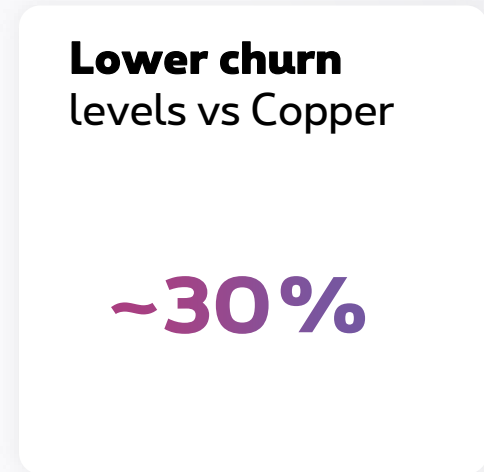
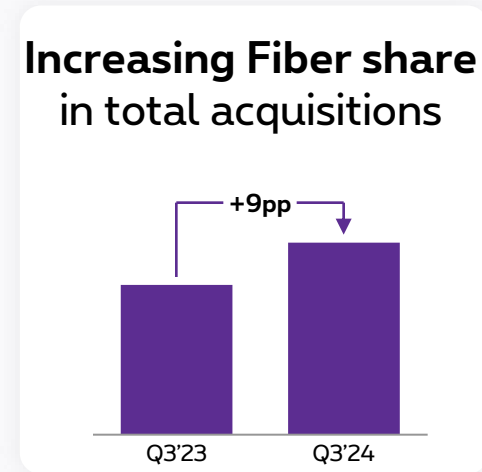
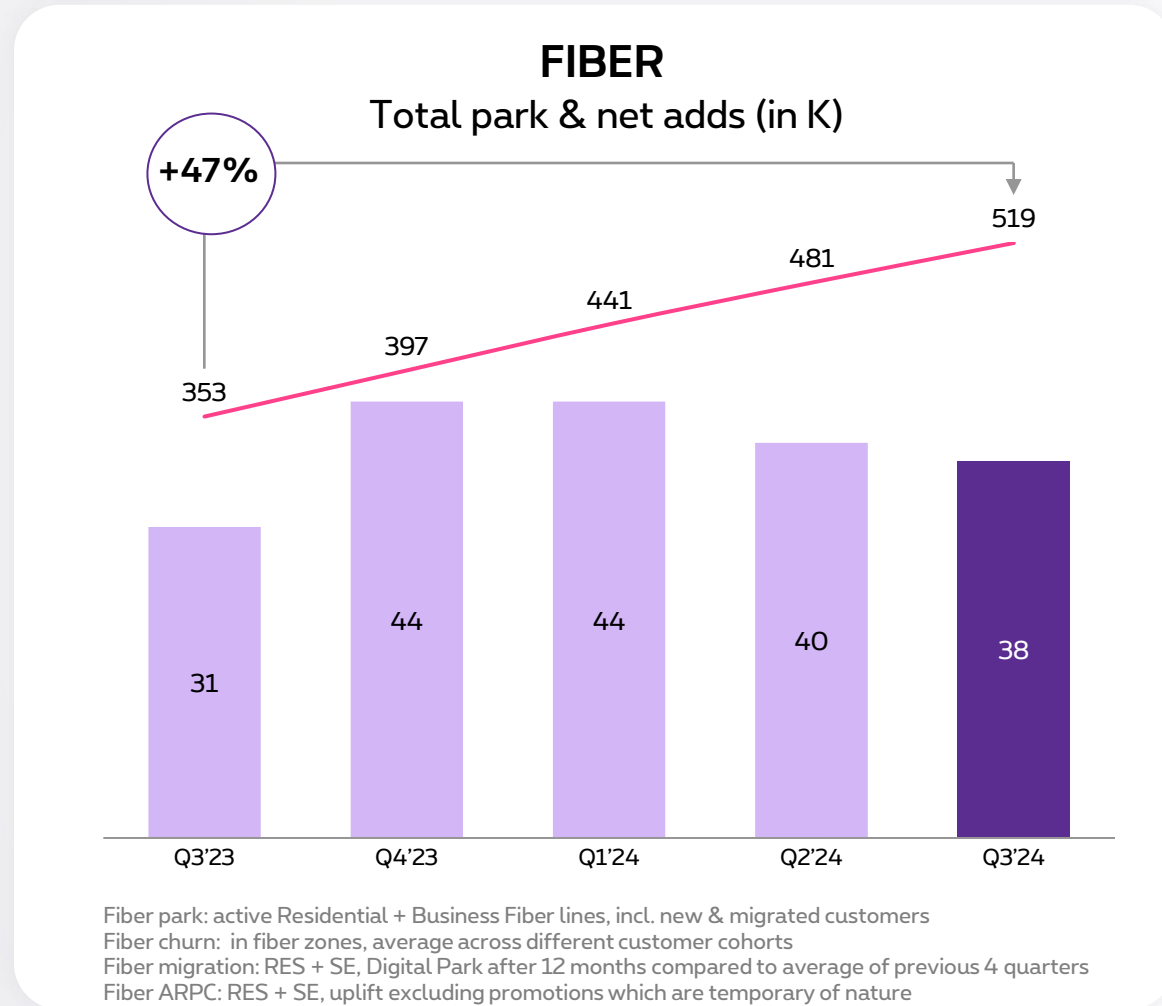
30% Network filling rate*



*company definition - Homes Activated / Total Homes Passed Ready for commercialization

519k activated Fiber lines by end-Q3

continued strong customer demand for Fiber



Agreement reached on selling datacenter operations for EUR 128 million

as part of our divestment plan of non-core assets



- ✓ **Selling on premise Datacentre infrastructure to Datacenter united, including owned real estate**
- ✓ **10-year service agreement** ensuring Proximus customers to benefit from advanced operations hosted in Belgium
- ✓ **Longer term, Data Centres not considered core** as we move to public cloud
- ✓ **Multi-year lease agreement** for office and telco spaces
- ✓ Colocation and rental fees to be partly **offset by OpEx and CapEx savings**
- ✓ **Closing expected by Q1 2025**

Proximus Group benefitting from strategic partnerships , initial synergies between Route Mobile and Telesign materializing



5 -yrs strategic partnership.
Focus on advancing CPaaS +
DI, enabling **seamless
customer engagement**
across multiple channels.



Strategic partnership – joint
GTM to **leverage products
of Route Mobile** (CPaaS),
Telesign (DI), and **BICS**
solutions, combined with
Infosys Digital Services

Synergies Route Mobile Telesign



Cross selling Telesign and
Route Mobile capabilities

Cross-sell plan rolled out;
Expecting revenue
momentum with existing
large accounts in due
course



Drive COGS saving through
route optimization

Route Mobile receiving
incremental traffic from
Telesign on their platform



OpEx synergies, leveraging
increased scale across global
footprint

Rolled out shared service
initiatives for group
requirements in India &
Colombia and expecting
rapid ramp-up.

Financial and Operational performance



Domestic



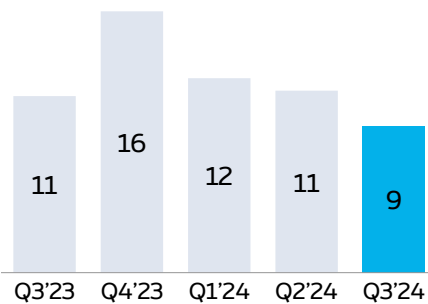
Sustained solid commercial performance

with continued growth for Internet and Mobile



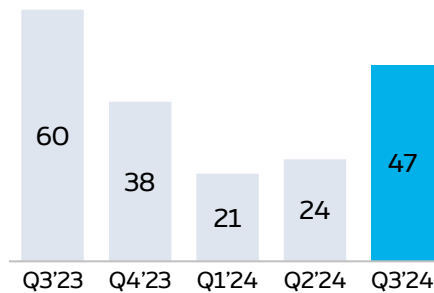
Internet base **2,300K**;
+49k YoY
+2.2% YoY

Net adds Group ('000)

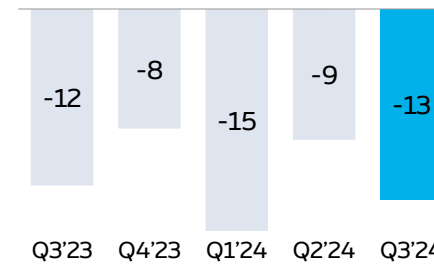


Postpaid

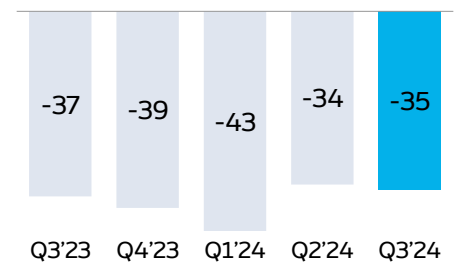
Postpaid base **5,065K**;
+130k YoY
+2.6% YoY



TV base **1,637K**;
-45k YoY
-2.7% YoY

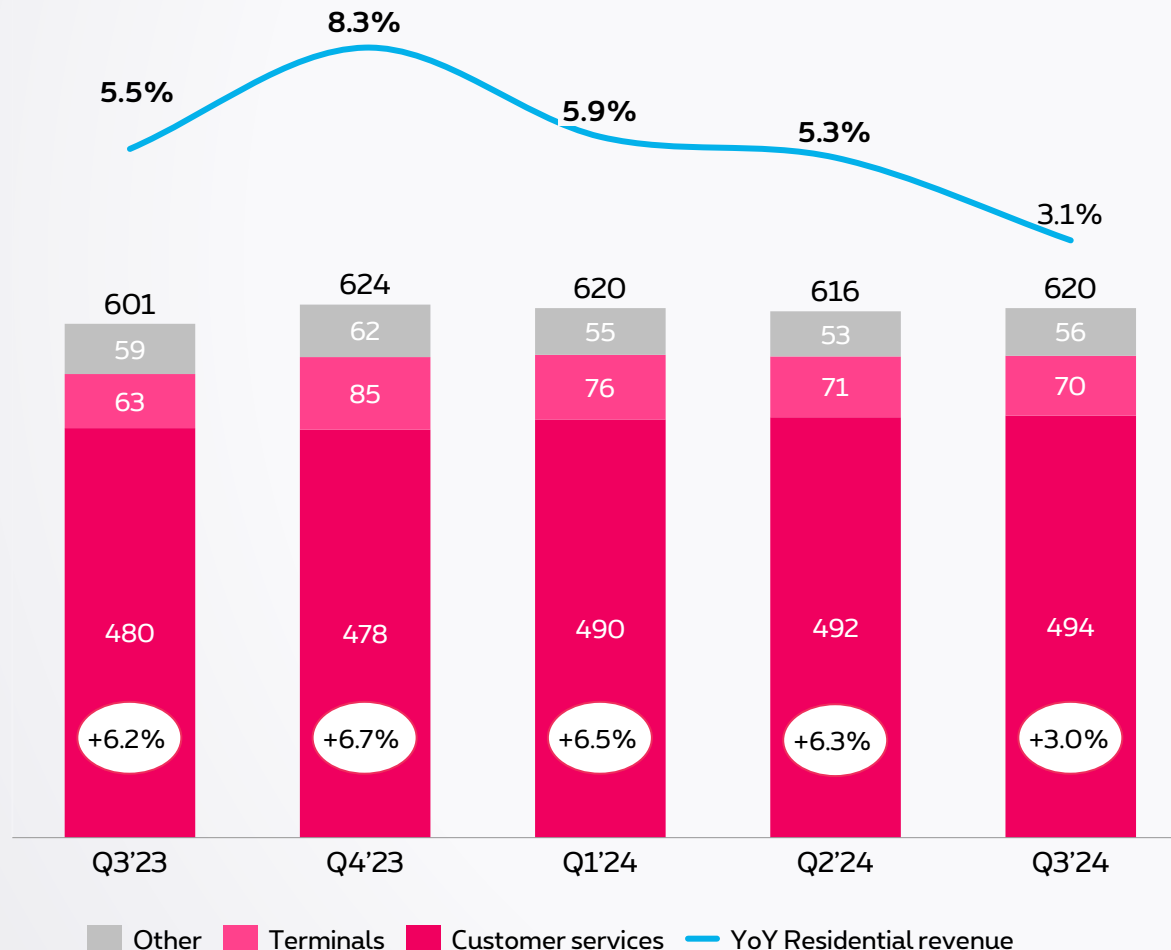


Fixed Voice **1,538K**;
-152k YoY
-9.0% YoY



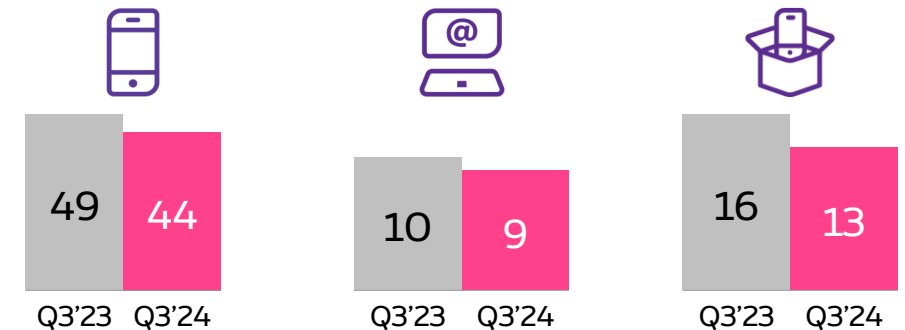
Q3 Residential revenue up by +3.1% YoY, with Services revenue up +3.0%, supported by 1 Jan'24 price indexation and ongoing solid customer growth

Residential revenue (M€, YoY)



- **Customer Services revenue +3.0% YoY**

- Strong Q3'24 customer growth



- Well managed price indexation with a “more for more” approach keeping churn level under control
- **Terminals revenue +10.7%** driven by higher joint offer volumes

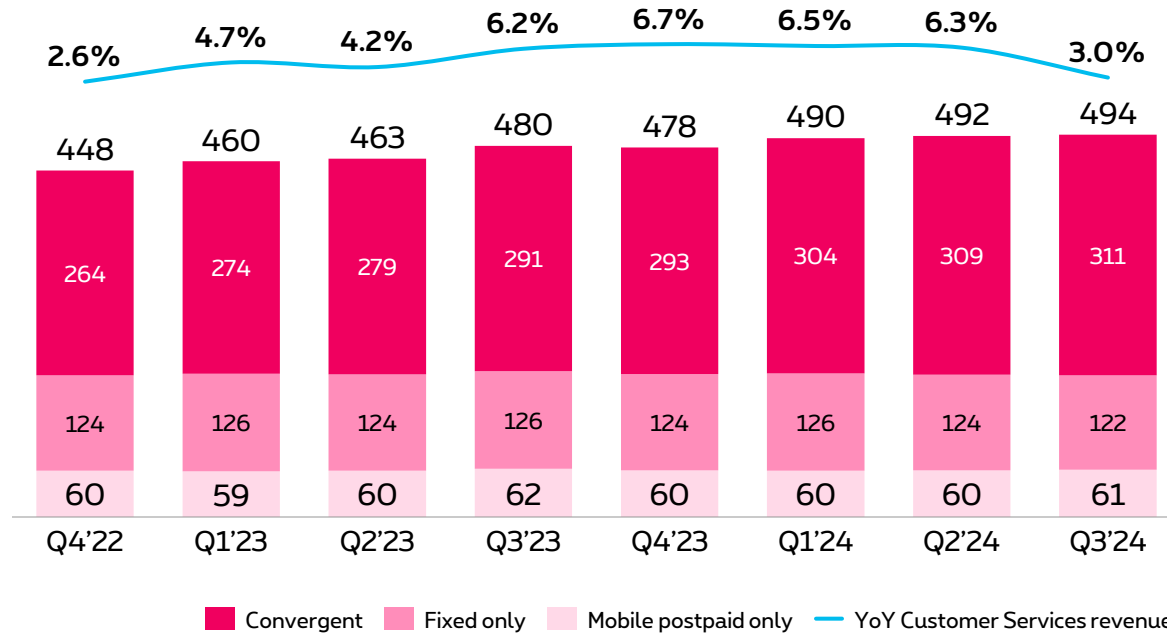
Growing Convergent base and higher ARPC

driving +3.0% Residential customer services revenue increase in Q3

Customer services revenue profile significantly improved:

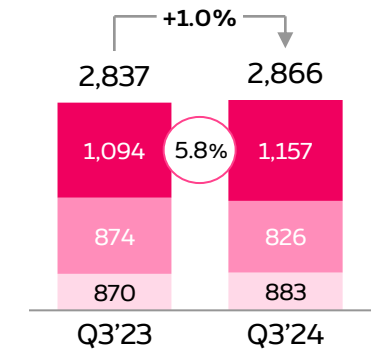
(M€, YoY)

- ✓ Customer satisfaction
- ✓ Value management
- ✓ Network investments
- ✓ Multi-brand strategy

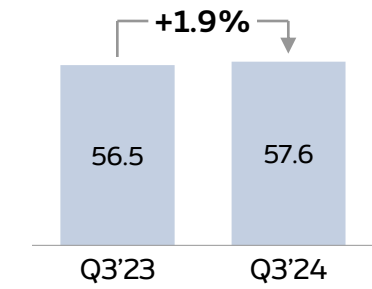


+6.9% YoY
Convergent
revenue

Customers (in K) Growing Convergent base: +5.8% YoY



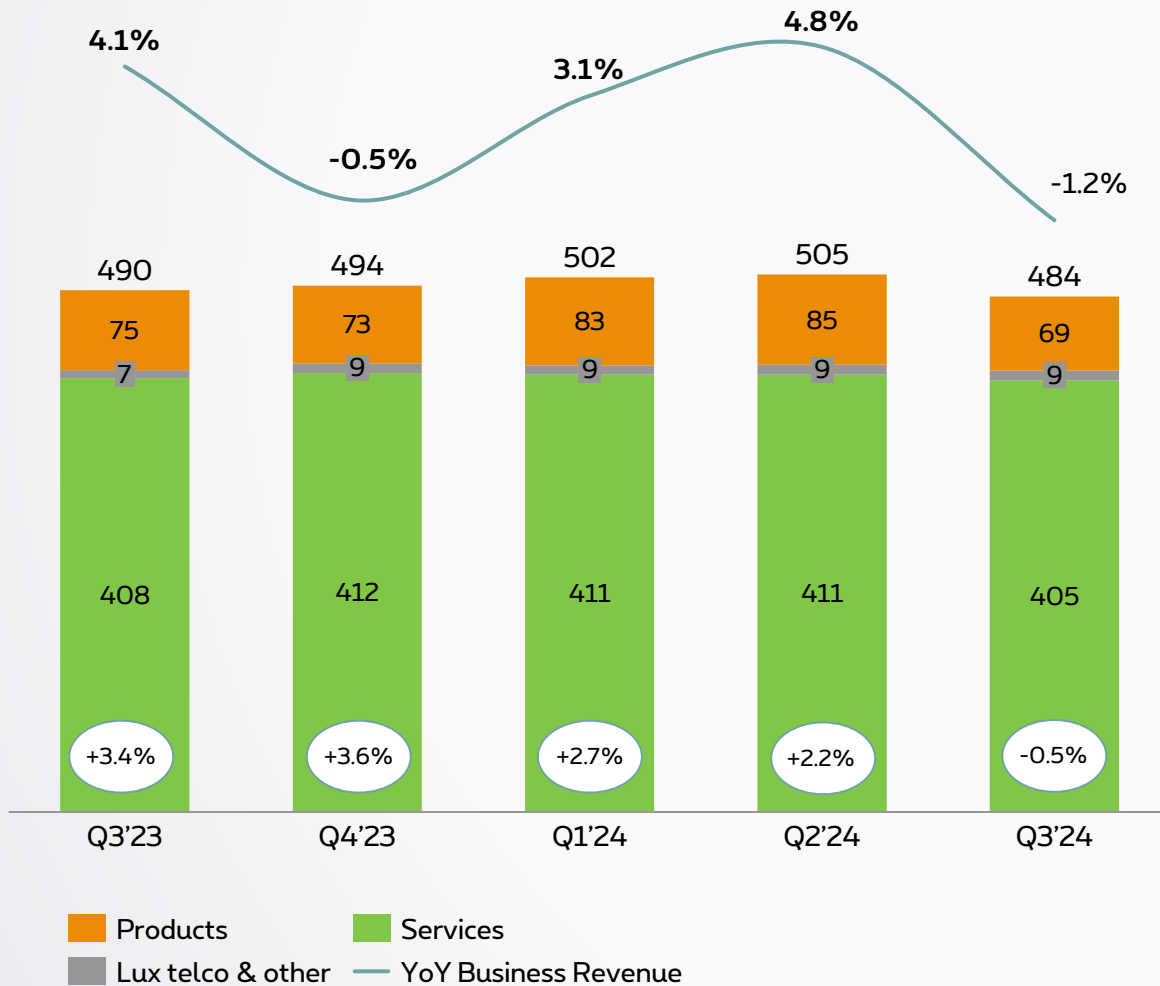
+1.9% ARPC (overall, €) Supported by price indexation, upsell to convergent offers and Fiber



B2B revenue impacted by volatility in low margin IT Products

Business Services -0.5% YoY, Products -7.8% YoY

Business revenue (M€, YoY)



Q3 revenue

Services revenue -0.5%,
Solid growth in IT Services and Fixed Data, offset by decrease in Fixed Voice and Mobile

Products revenue -7.8%,
Driven by volatility in low margin IT Products revenue, -10M€ YoY

Customers wins*

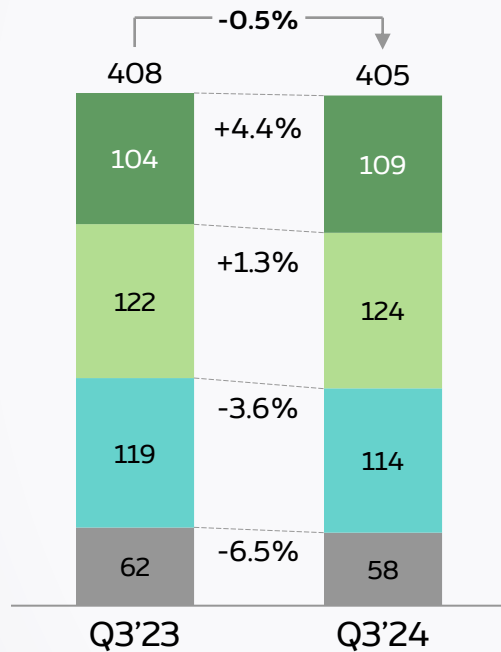


*limited to those with customer's consent

B2B Services revenue for Q3 nearly stable year-on-year

IT Services growing, telco trend impacted by annualizing price indexation

Business Services revenue (M€)



■ IT ■ Fixed Data ■ Mobile ■ Fixed Voice

+4.4% IT Services

- Driven by growth in services in Cloud, Security and Smart Mobility

+1.3% Fixed Data

- Internet revenue up, ARPU +3.8% & stable base with growing share of Fiber

-3.6% Mobile

- Decrease in customer base impacted by Vlaamse Overheid contract loss
- Slightly decreasing ARPU YoY

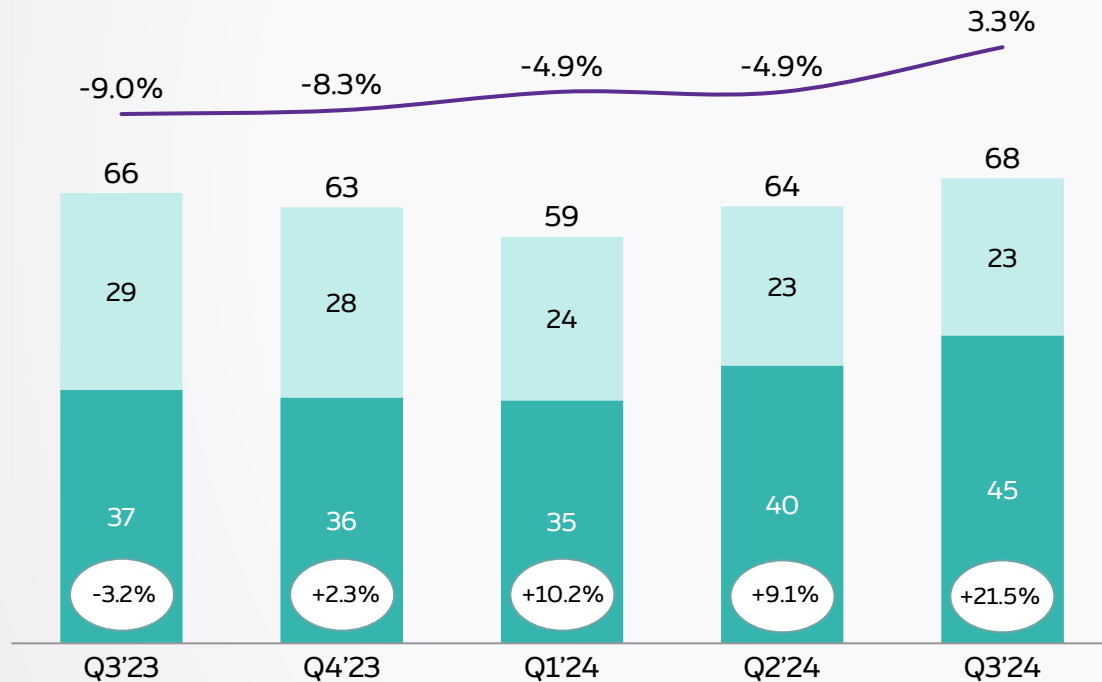
-6.5% Fixed Voice

- Volume decline in line with historic trends, partially contained through value management
- ARPU growing

Roaming traffic driving strong growth in Wholesale Services

continued YoY decline in low margin interconnect revenue

Wholesale revenue (M€, YoY)



Fixed & Mobile Services revenue +21.5%

- Mainly driven by higher roaming volumes

Interconnect revenue -20.2%

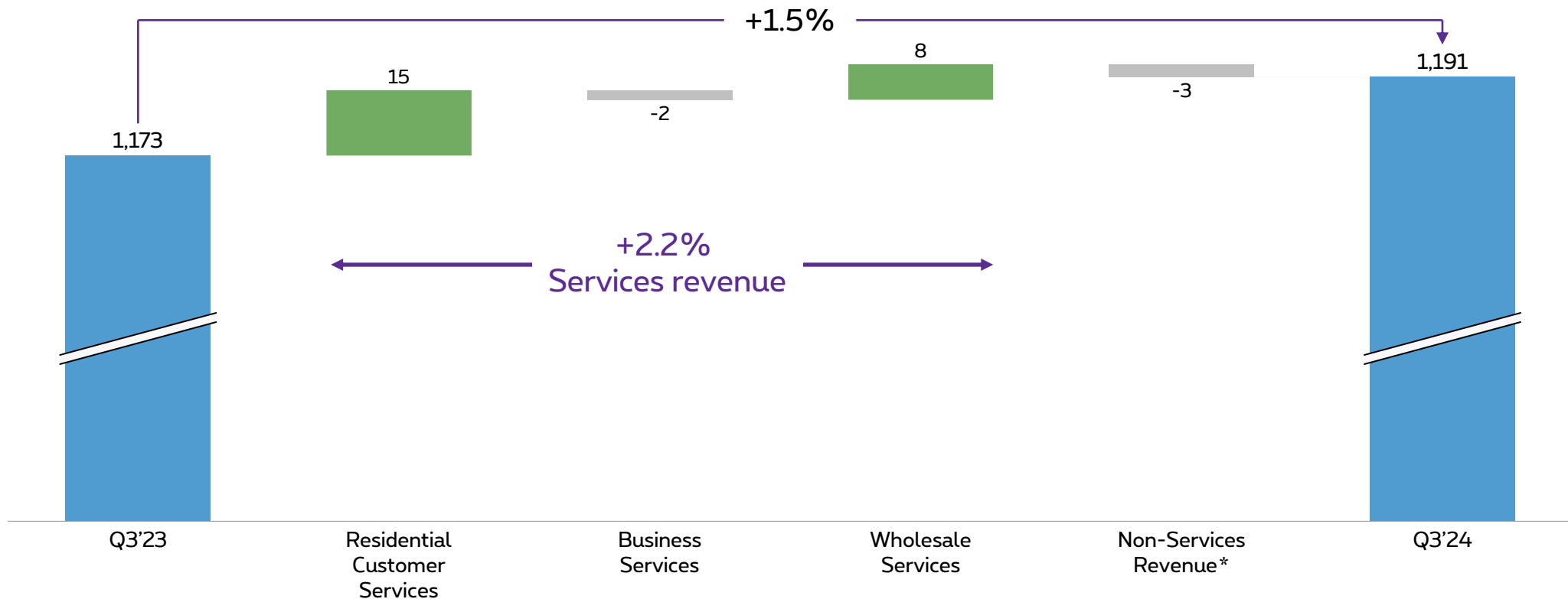
- Ongoing decline in traditional messaging revenue
- EU MTR regulation impact
- No meaningful margin impact

■ Interconnect ■ Other operating income
■ Fixed & Mobile services — YoY Wholesale revenue

Sustained solid Domestic revenue growth, +1.5% YoY

revenue from Services up by +2.2% YoY

Revenue
(underlying, M€)

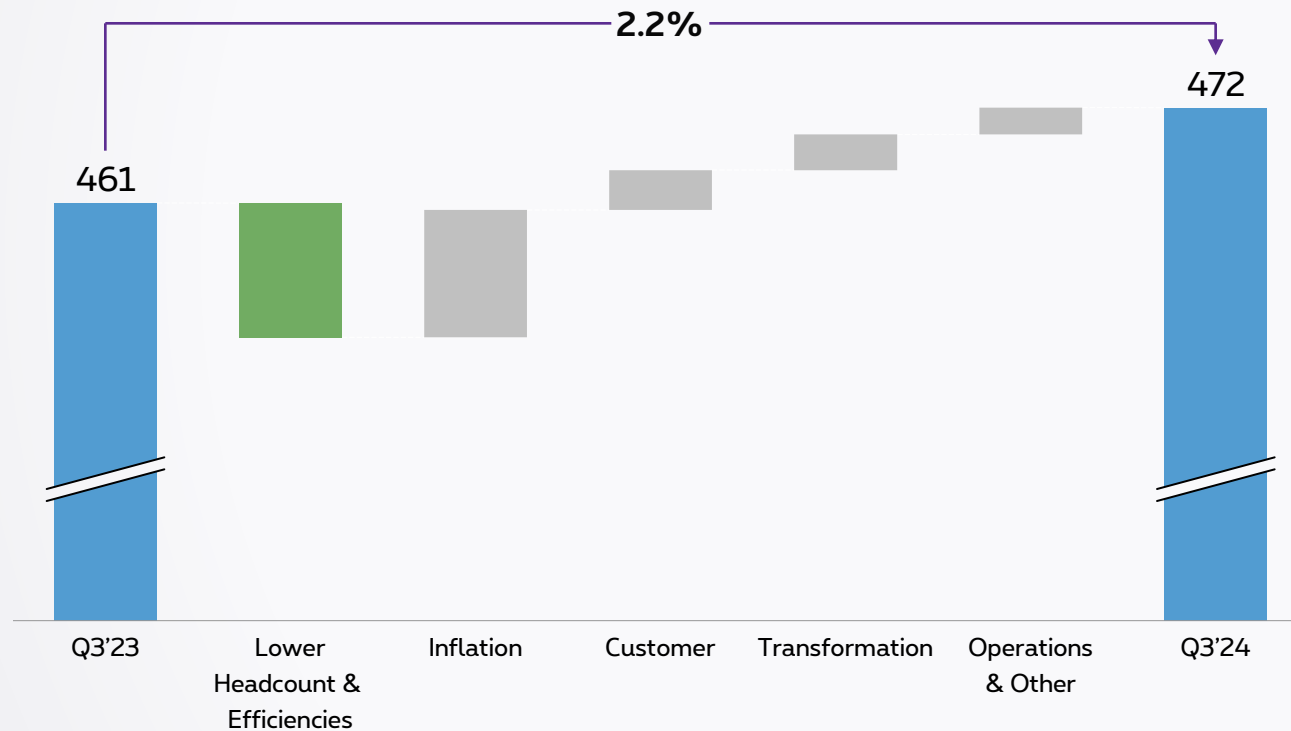


*Aggregate of Residential Prepaid, Wholesale Interconnect, Lux. Telco, Terminals and IT hardware, Others revenue & Other Operating income revenue

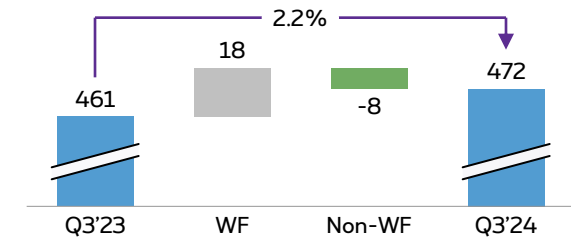
Continued cost efficiency delivery more than offsets inflation effect

OpEx increase slowing

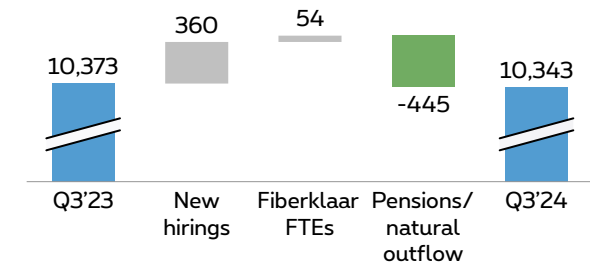
OpEx
(management view, underlying, M€)



Domestic OpEx (M€)



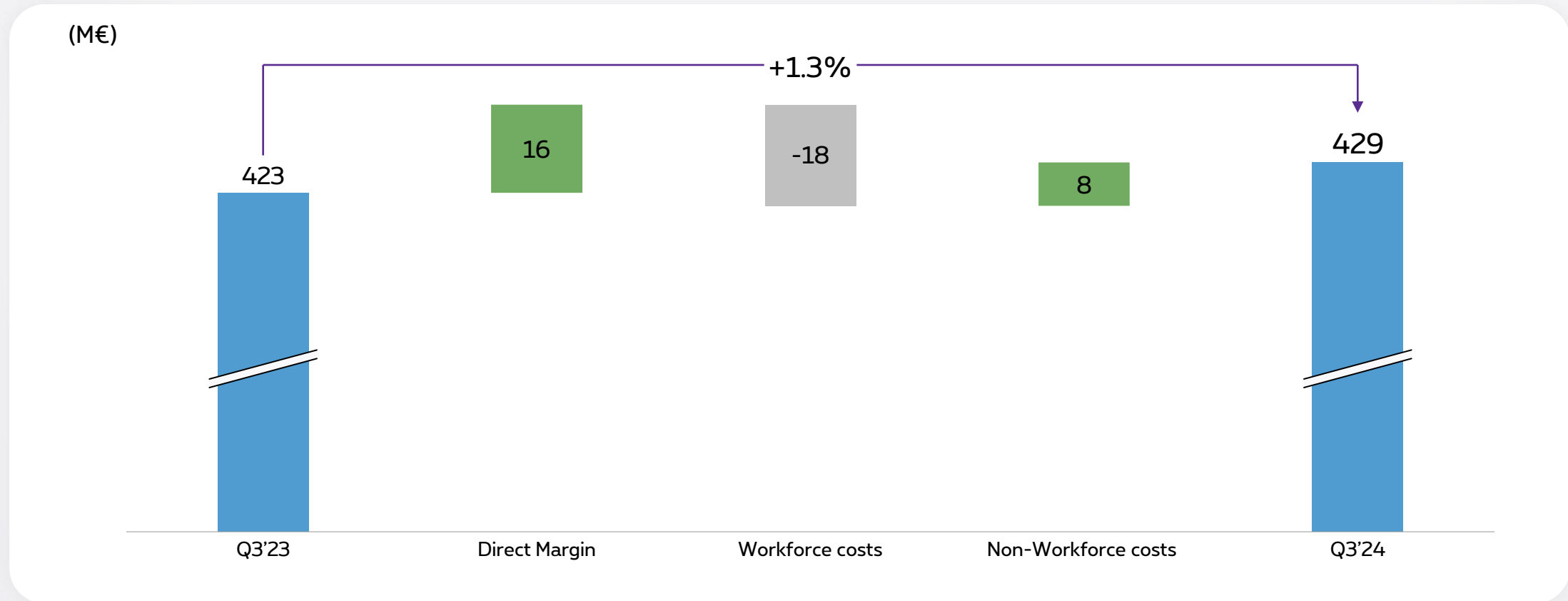
Domestic headcount (FTE)



- **Inflation:** wage indexations (Dec'23 and Jun'24) and other inflationary costs increases
- **Customer related costs:** acquisition, retention, migration and servicing costs
- **Transformation:** Mwingz, HQ rental and Cloudification
- **Operations & Other:** Mostly other HR related costs

Domestic EBITDA +1.3%

Strong direct Margin growth and cost efficiencies outpacing remaining inflationary impacts



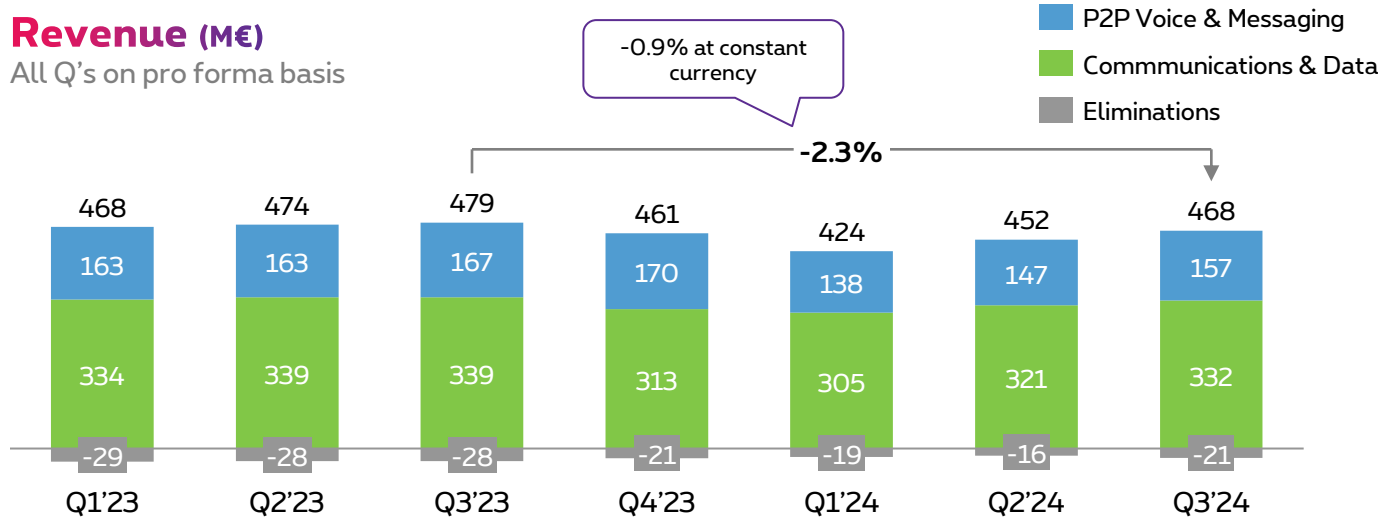
International



Sustaining direct margin growth on high comparable base

Revenue (M€)

All Q's on pro forma basis



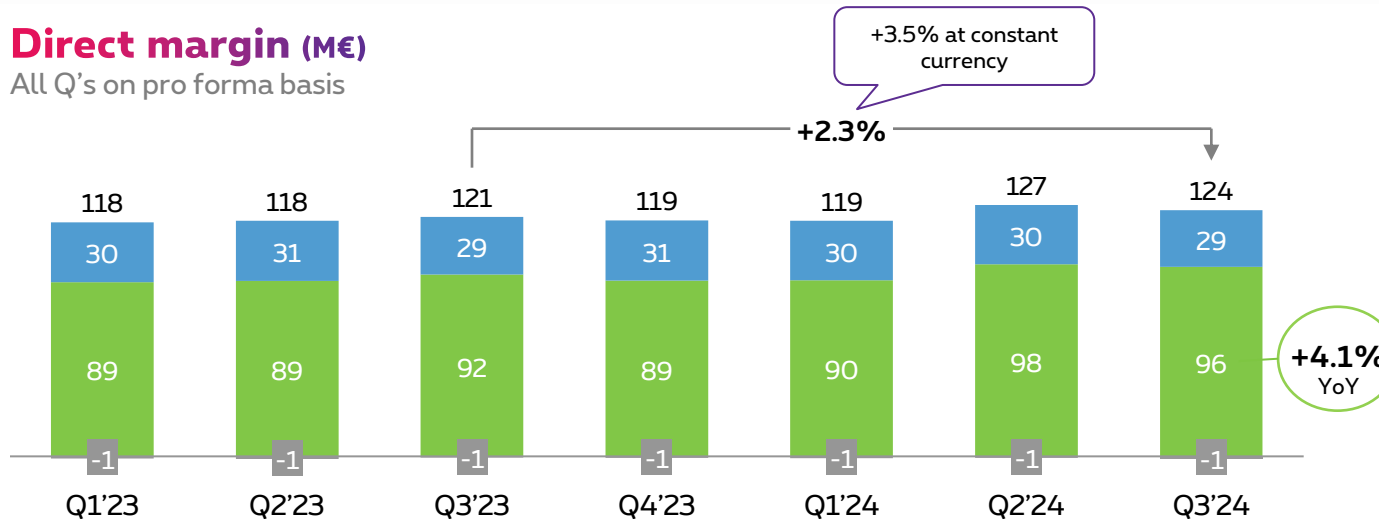
Revenue -0.9% at constant currency, Q3 cycling against a high comparable base

Continuing shift from **Voice and Messaging** usage to **OTT solutions**

New customers in fast growing markets: Asian and Latam

Direct margin (M€)

All Q's on pro forma basis



Direct margin up +3.5% at constant currency despite pressure on top line

+1.2p.p. Direct margin to 26.5%

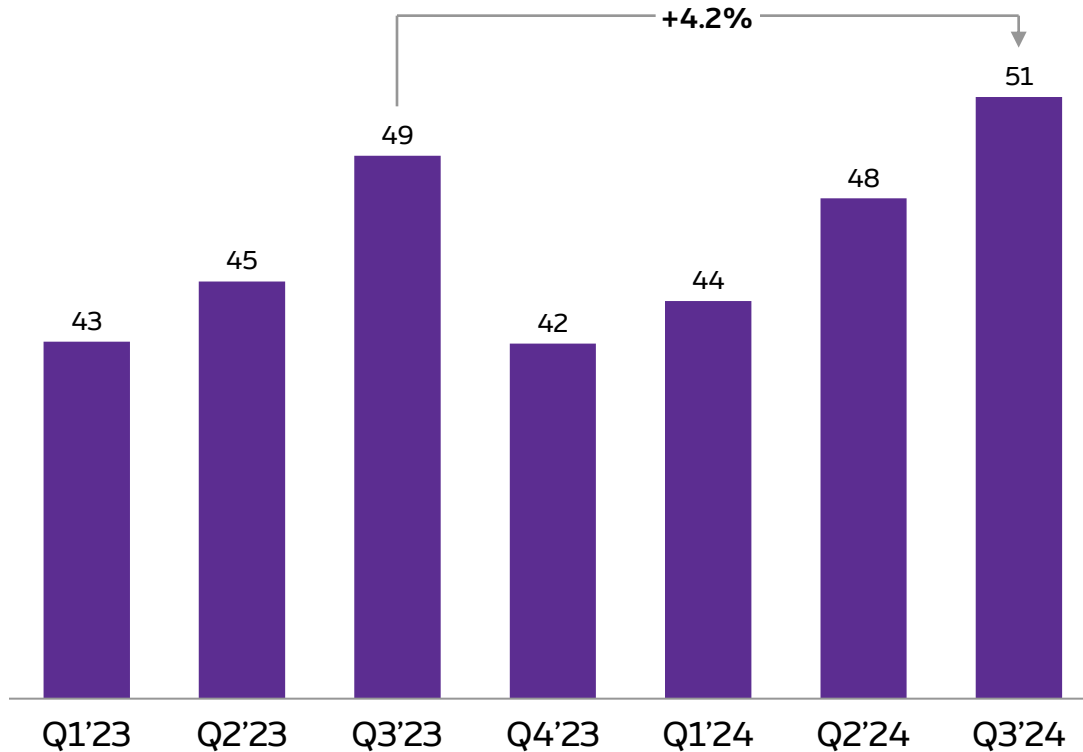
Strong ability to **recapture traffic** shifting to CPaaS SMS to CPaaS omnichannel solutions

Solid DI performance driven by Phone ID

International EBITDA up +4.2% on a pro forma basis

EBITDA (M€)

All Q's on pro forma basis



- ✓ EBITDA up +4.2% year-on-year despite a high comparable base.
- ✓ Healthy Direct margin growth benefitting from shift in mix for CPaaS, higher travel volumes and exposure to fast growing markets
- ✓ Managed OpEx, increase driven by annual wage indexation in India, almost entirely offset by initial synergies and favorable FX impact

"Pro forma" - full view includes Route Mobile in all quarters of 2023, as well as in Q1 2024 and Q2 2024, allowing for like-for-like comparison

Group

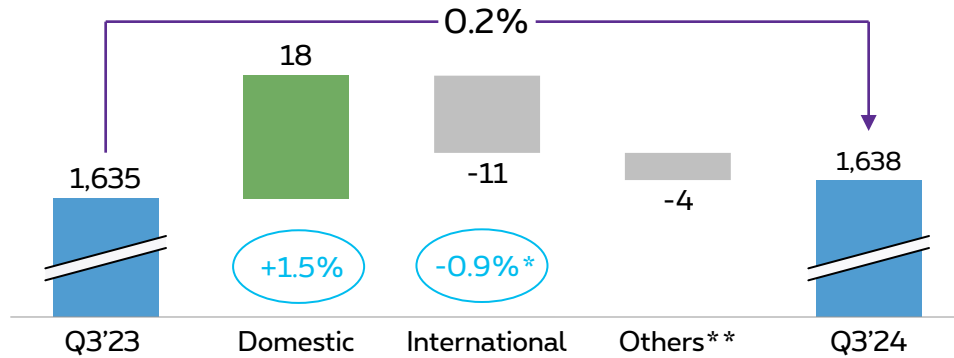


Q3 Group EBITDA +1.6%, on pro forma basis

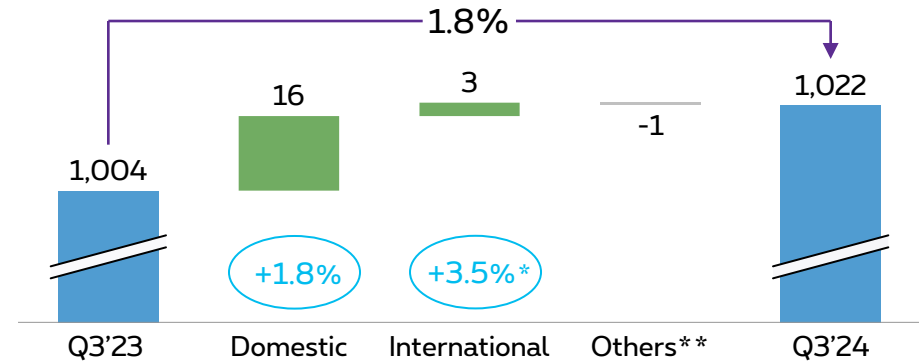
Direct margin continued to grow, while the cost increase further moderated

(all underlying, M€)

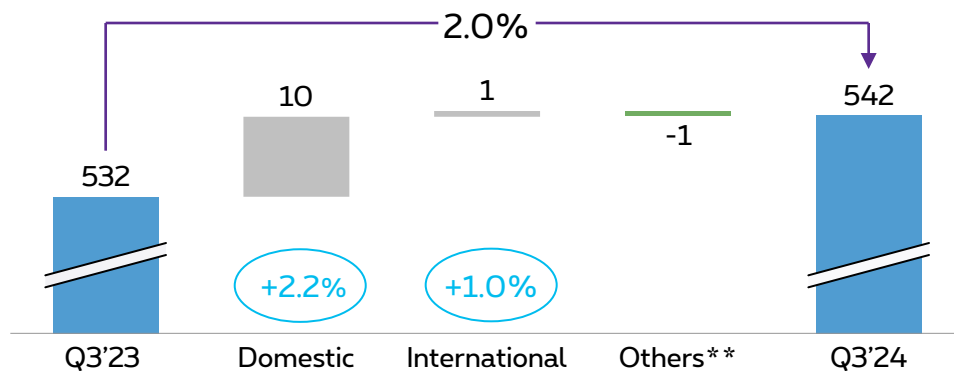
Revenue



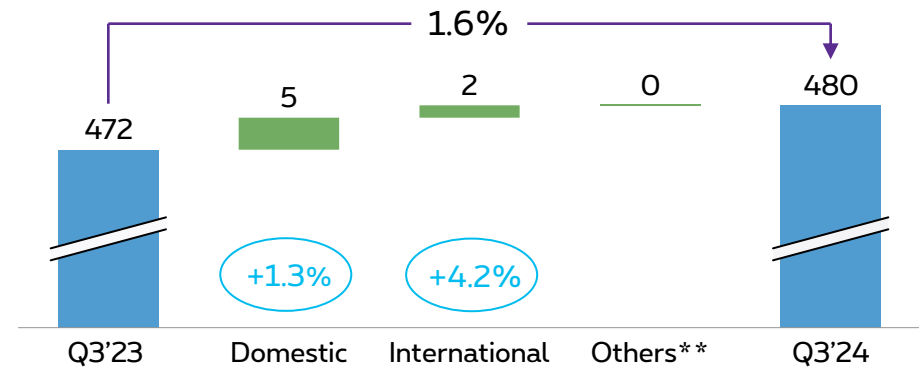
Direct margin



OpEx



EBITDA



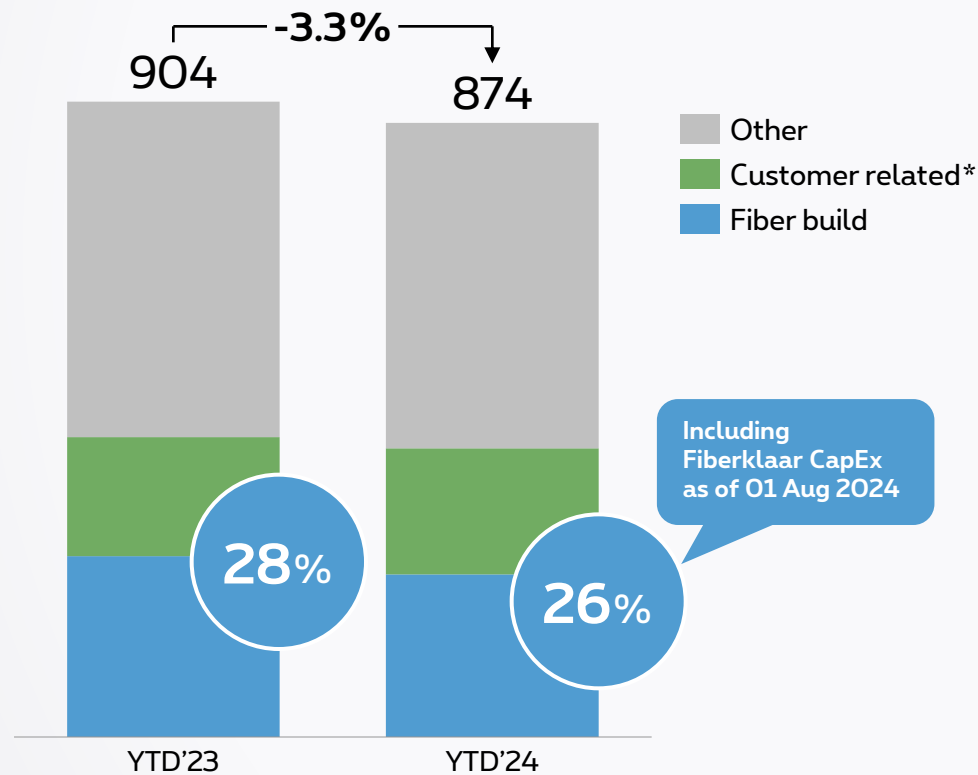
*In constant currency

**Eliminations

"Pro forma" is referring to pro forma 8-month view including Route Mobile as of May 2023 allowing for like-for-like comparison as of Q2 2024

YTD 2024 Group CapEx of 874M€

Group CapEx
M€, excl. spectrum & football rights

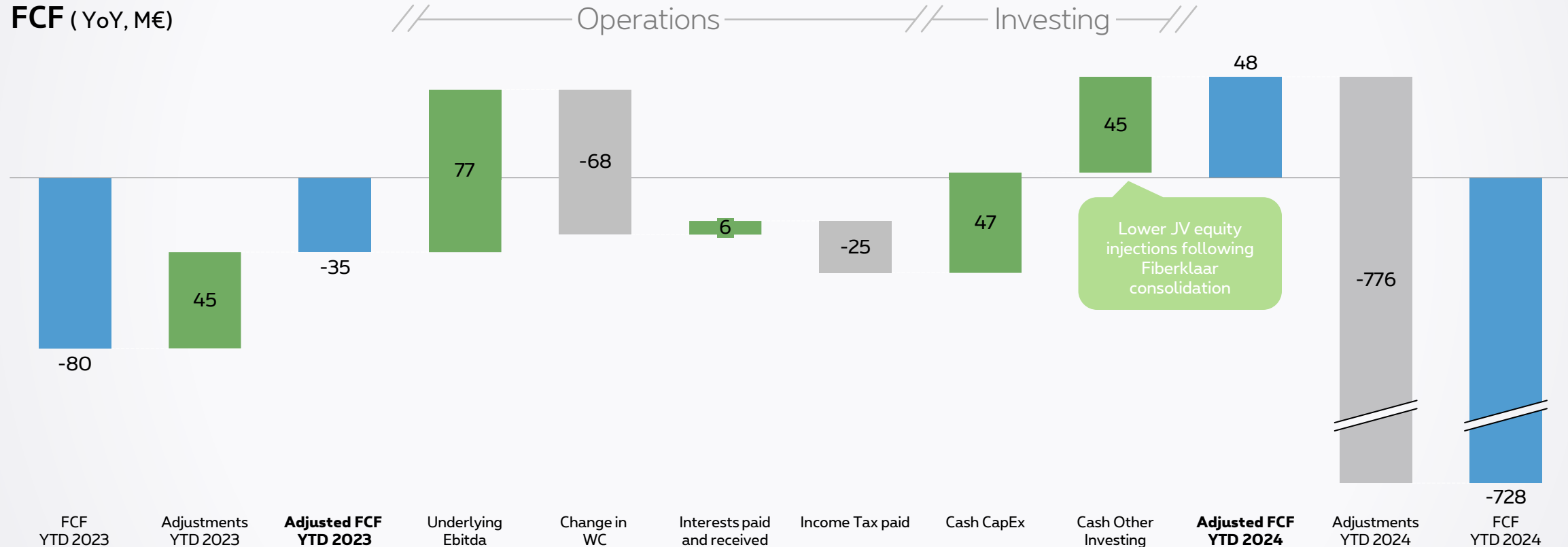


- Lower Proximus **Fiber build volumes in dense areas while picking up in medium-dense areas**
- Fiber **customer termination and activation cost** rising, supporting topline momentum.
- **Other CapEx** includes a.o IT investments, and the ongoing implementation of **Mobile network consolidation**

* Customer CapEx related to connection and activation of Fiber and Copper customers , and equipment (Modems, Decoders, Wi-Fi repeaters,..)

Higher EBITDA, lower cash CapEx and lower Equity injections, more than timing effect of change in WC needs

FCF (YoY, M€)



- For YTD 2024, adjustments to FCF consist of acquisitions and M&A-related transaction costs (Route Mobile and Fiberklaar)
- Route Mobile sell down is an equity transaction with no impact on FCF but positive impact on cash balance

Revising our guidance upward

driven by strong Domestic performance year-to-date

Guidance metric	Outlook FY 2024 23 Feb 2024	Outlook FY 2024 26 Jul 2024	FY2023 comparable	YTD24 Actuals	Outlook FY 2024 25 Oct 2024
Underlying Domestic revenue	Growing up to 1%	Growing up to 2.5%	4,665M€	+3.5% YoY	Growing up to 3%
Underlying Domestic EBITDA	Growing up to 1%	Growing up to 2%	1,636M€	+3.7% YoY	Growing up to 3%
International Direct margin (cc) ⁽²⁾	-	Mid-to-High single digit growth	445M€ ⁽¹⁾	+3.9% YoY	Mid-single digit growth
Underlying Group EBITDA	Growing up to 1%	Growing up to 2.5%	1,795M€ ⁽¹⁾	+3.9% YoY	Growing up to 3%
CapEx (excl. Spectrum & football rights)	Around 1.2bn€	Around 1.36bn€	1.329bn€ ⁽¹⁾	874M€	Around 1.36bn€
Net debt / EBITDA (As per S&P definition)	Around 2.7x	Around 3.1x	2.6x ⁽¹⁾	NR	Around 3.1x

Over 2024 result, intention to return a gross dividend of €0.6/share:

- Board of Directors approved interim of €0.5/share, payable 6 Dec'24
- remainder of €0.1/share in April '25

¹ Pro forma 2023 8 months, unaudited: includes the actual results of Route Mobile over the period May-Dec 2023, to allow for a comparable base.

² Company FY projections on DM exclude currency fluctuations

Q&A

To ask a question, join the conference call

→ Register [here](#) for the Q&A to receive your dial-in details.



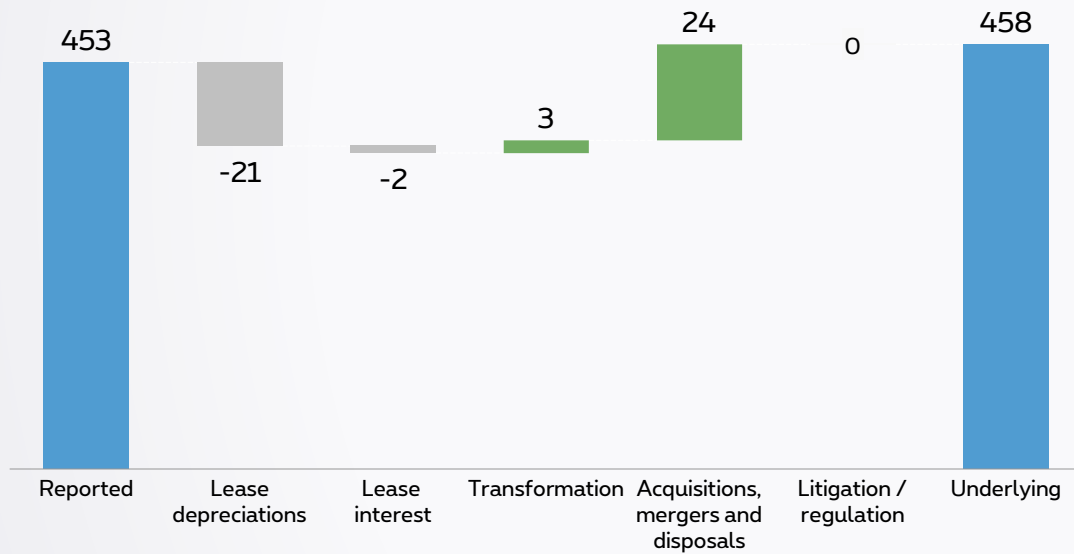
Appendix



From reported to underlying – EBITDA adjustments

Q3'23

(M€)



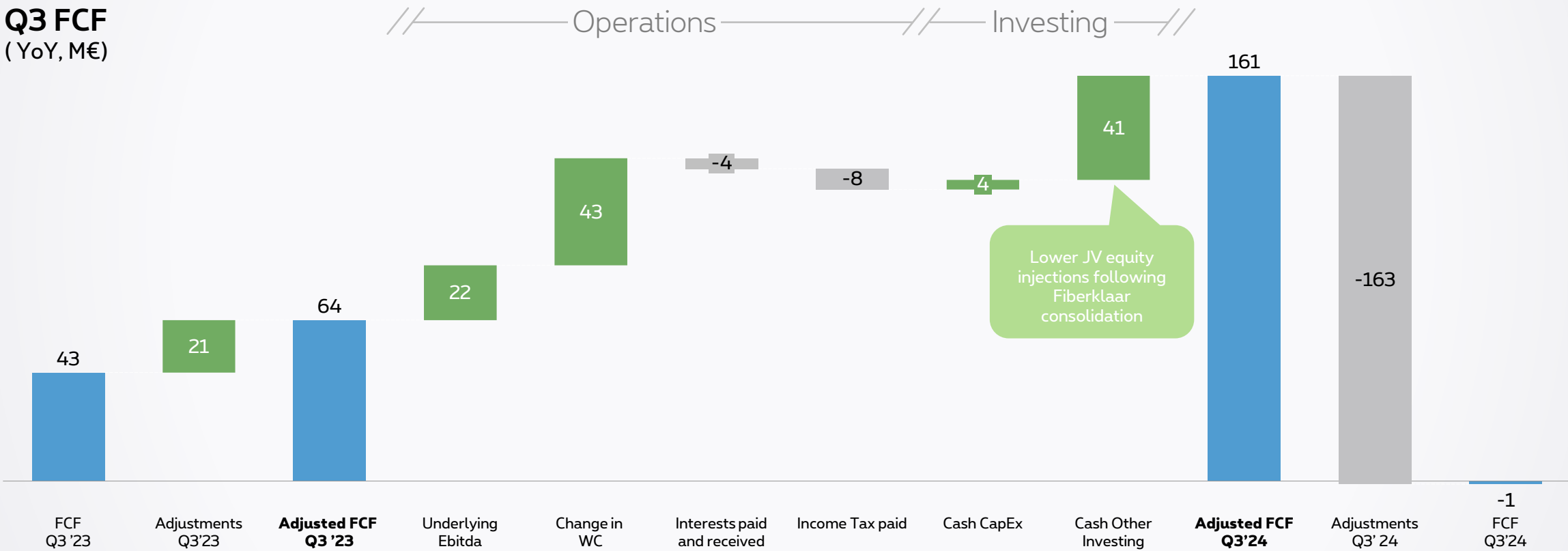
Q3'24

(M€)



Adjusted FCF benefiting from higher EBITDA, positive impact of change in WC and lower equity injections YoY

Q3 FCF
(YoY, M€)

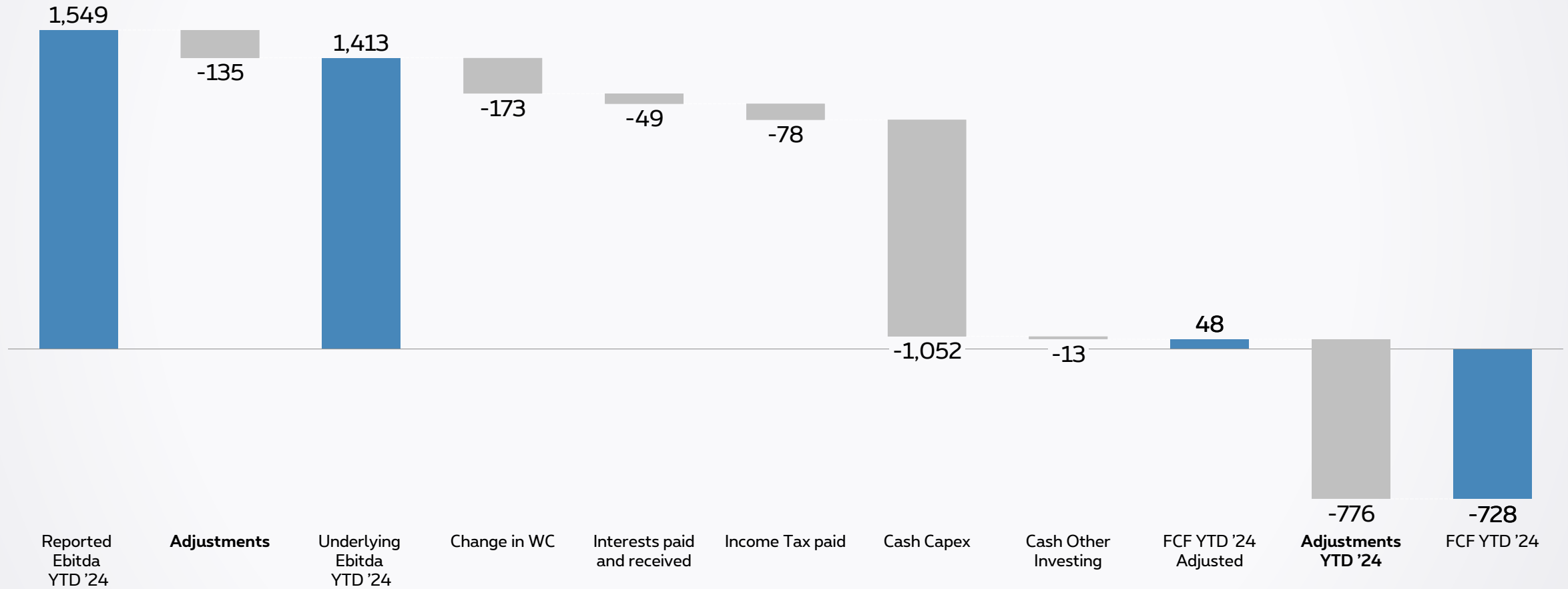


• For Q3'24, adjustments to FCF consist of acquisitions and M&A-related transaction costs

EBITDA conversion to FCF

YTD 2024

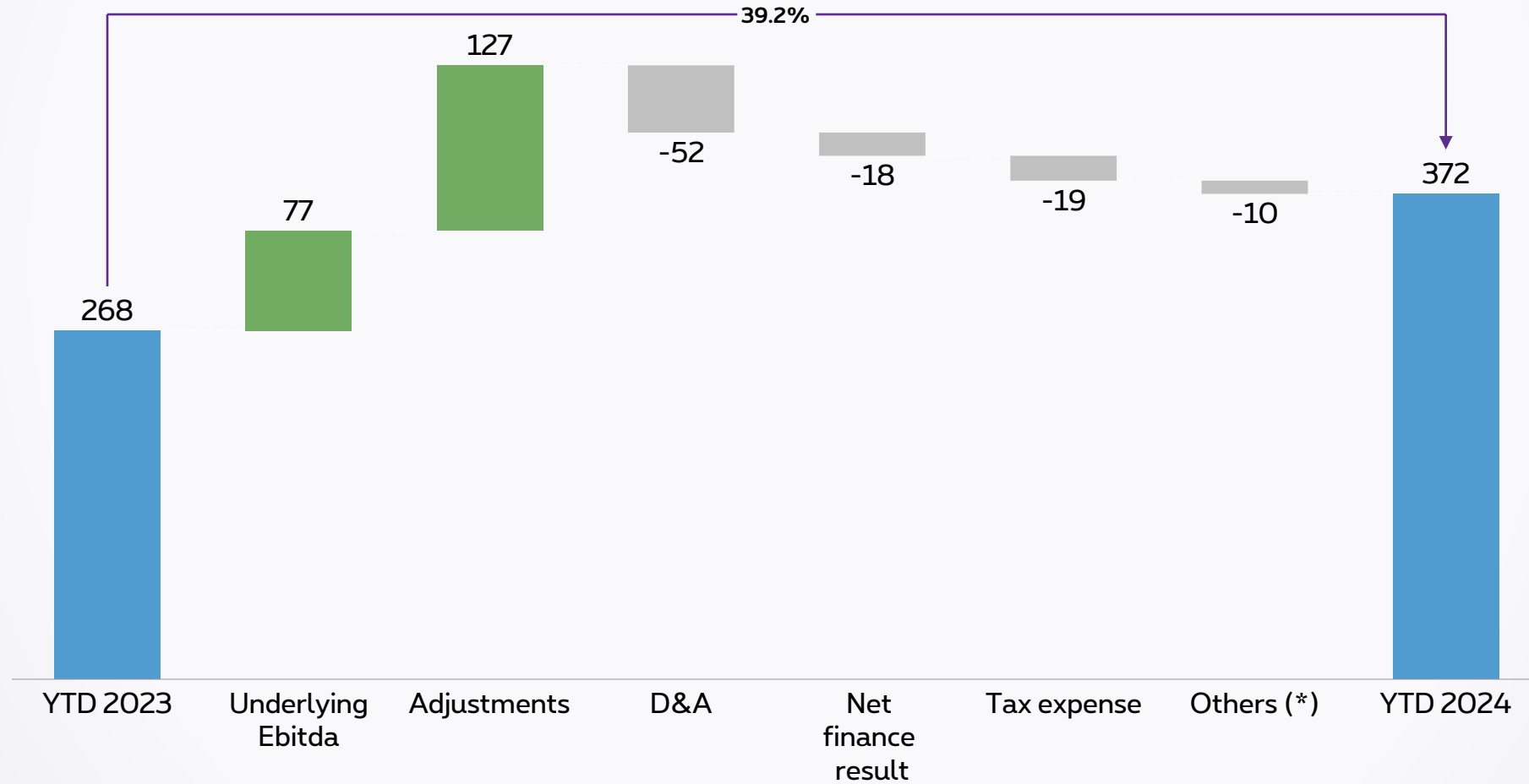
(M€)



Net income

(Group share)

(M€)

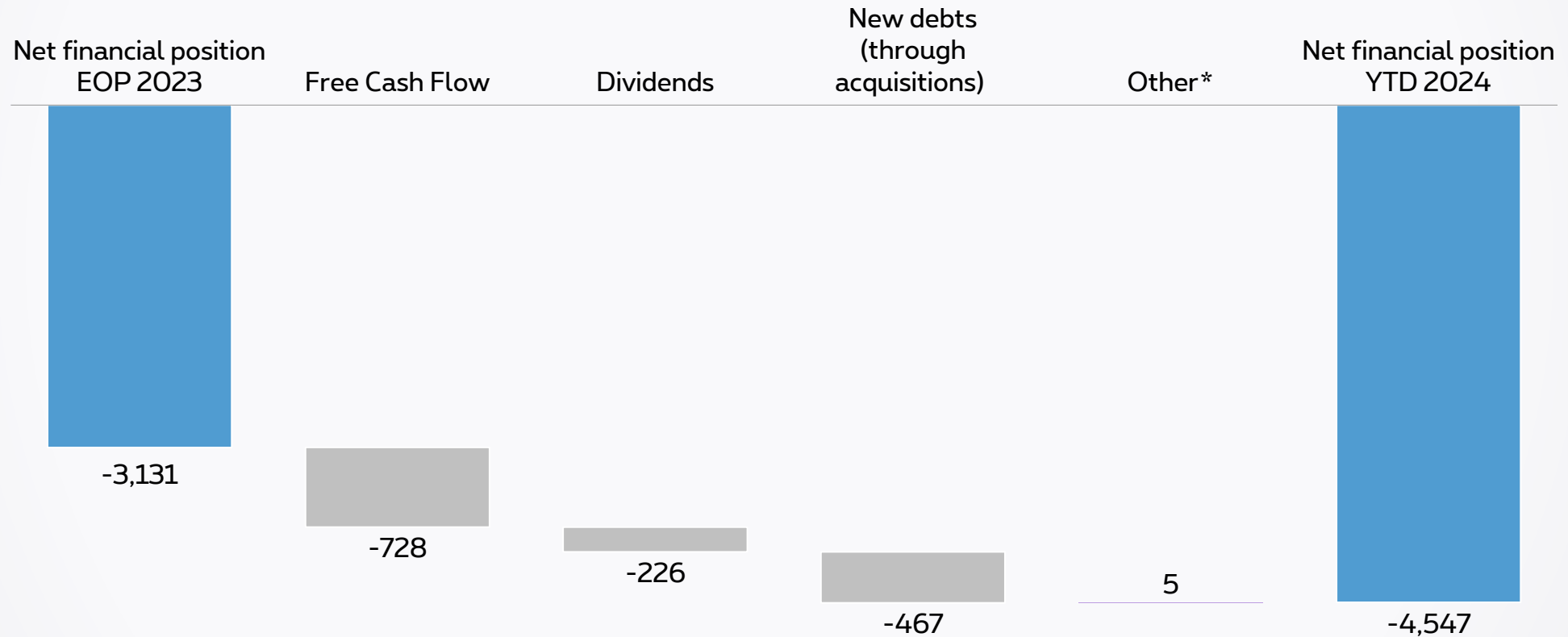


* Include Non-controlling interests and Share of loss from associates

Adjusted Net Financial Position (excl. lease liabilities)

YTD 2024

(M€)



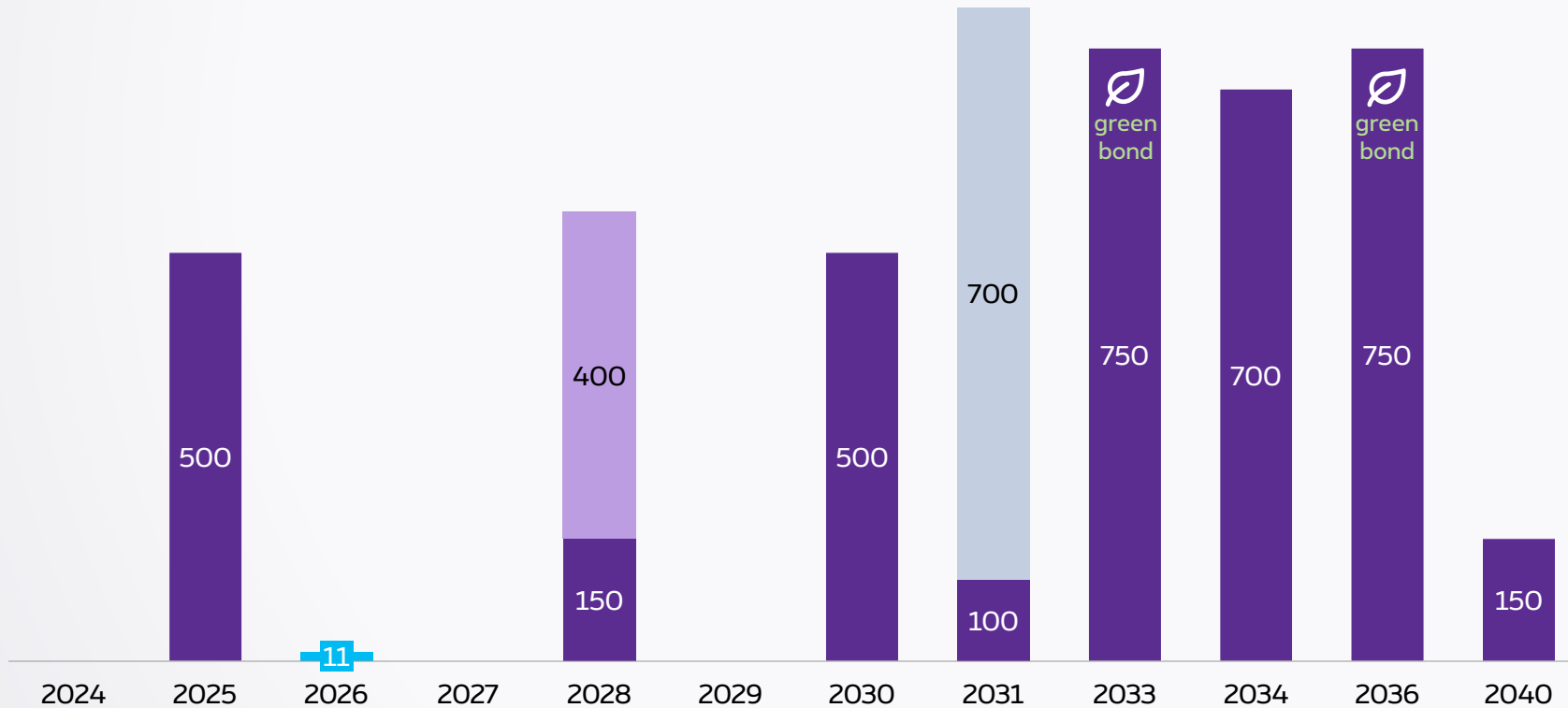
* Mainly remeasurement to fair value of cash flow hedge instrument for future LT debt, net of debt issuance, Sale of treasury shares and repayment of Debt

Managing maturity and average coupon

Successfully issued a 700M€ inaugural hybrid bond

Debt maturity schedule (M€)

~20% in next 5yrs ~80% in ≥ 5yrs



Hybrid bond (First Call Date) Yen private placement
 Institutional Eurobonds (EMTN) Investment loans

Credit ratings

S&P BBB+ (negative outlook)

Moody's A3 (stable outlook)

~3.0%

Weighted average coupon
(long-term only)

8Yr

Weighted average debt duration
(long-term only excl. Hybrid)

Successfully issued an inaugural 700M€ hybrid bond

Terms & Conditions

- ✓ **Purpose:** *general corporate purposes including Fiberklaar acquisition and fiber investments*
- ✓ **Amount:** 700M€
- ✓ **Coupon:** 4.75% initially
- ✓ **Maturity:** Perpetual
- ✓ **Issue date:** 2 October 2024
- ✓ **First call date:** 2 July 2031
- ✓ **First reset date:** 2 October 2031
- ✓ **Equity credit (IFRS):** 100%
- ✓ **Oversubscription:** 2.3 times



Preserving financial flexibility

in the context of fiber investments



Supporting long-term ratings

and showing strong commitment to financial discipline



Maintaining a robust capital structure

after the Route Mobile and Fiberklaar acquisitions



Diversifying our funding sources

and tapping into new pockets of liquidity

Shareholder structure

Status 30/09/2024

Total number of shares

338,025,135

Free-float

42%

Belgian Government

54%

Market Capitalization

~€ 2.4Bn

Gross Dividend yield

~8%

	Number of shares	% shares	% Voting rights	% Dividend rights	Number of shares with voting rights	Number of shares with dividend rights
Belgian state	180,887,569	53.51%	56.04%	55.92%	180,887,569	180,887,569
Proximus own shares	15,238,588	4.51%	0.00%	0.21%	0	693,702
Free-float	141,898,978	41.98%	43.96%	43.87%	141,898,978	141,898,978
Total	338,025,135	100%	100%	100%	322,786,547	323,480,249

The voting rights of all treasury shares are suspended by law. Proximus has 14,544,886 treasury shares that are not entitled to dividend rights and 693,702 treasury shares that are entitled to dividend rights.

Transparency declarations: According to Proximus' bylaws, the thresholds as from which a shareholding needs to be disclosed have been set at 3% and 7.5%, in addition to the legal thresholds of 5% and each multiple of 5%.

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