



**bold  
2025**

# Proximus Group

Results presentation

Q1 2024

26 April 2024



**Guillaume Boutin**  
Chief Executive Officer

# Cautionary statement

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# Agenda

- **Highlights** Q1 2024
- Financial & Operational **Q1 performance**
- **Q&A**

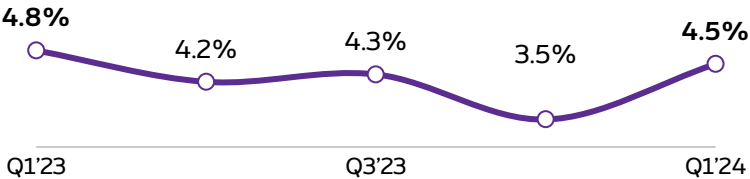
# Q1 Highlights



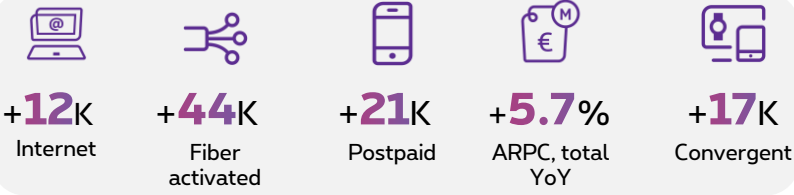
# Q1 marks an excellent start to the year, providing full confidence in achieving our guidance set for 2024

## Domestic

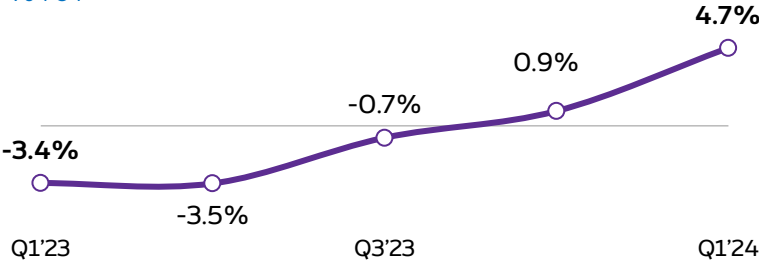
Strong revenue growth trend  
%YoY



Sustained commercial momentum  
Net adds

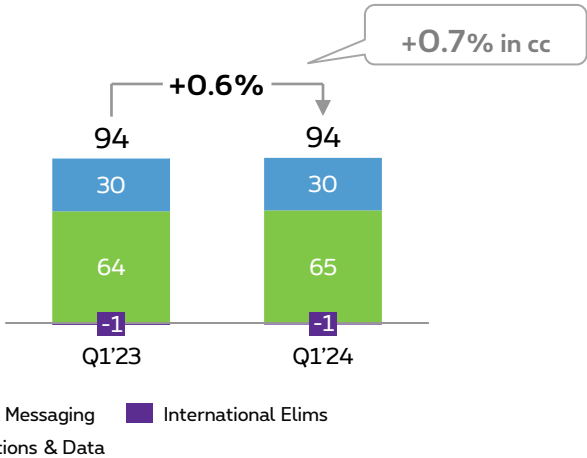


Accelerating Domestic EBITDA growth  
%YoY

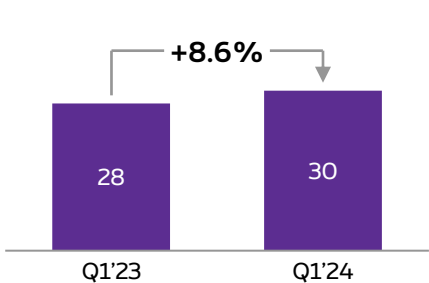


## International

Growing Direct Margin despite topline pressure  
m€, %YoY

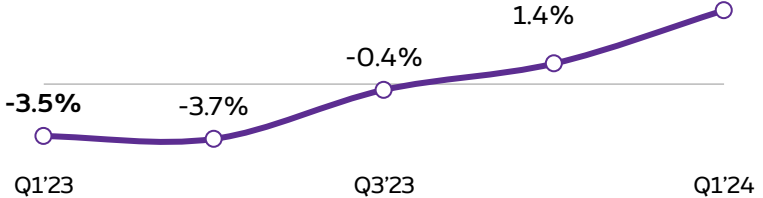


EBITDA growth of +8.6% YoY  
m€, %YoY

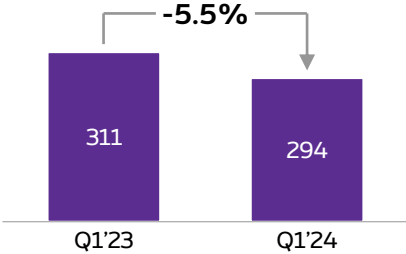


## Group

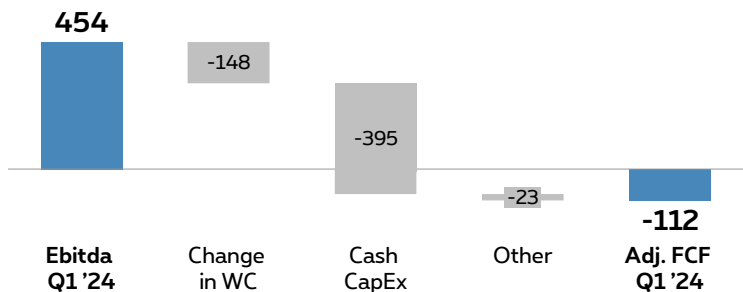
Q1'24 EBITDA of 454M€, up by strong +5.0%  
%YoY



Q1 initiating lower CapEx profile  
(m€, accrued)



Adj. FCF reflecting investments and WC timing  
(m€)



Revenue and EBITDA refer to 'underlying', for adjustments see appendix.

# Proximus and partners deploying Fiber in 159 cities

**159** cities and municipalities with Fiber works ongoing



## *Fiber cooperation agreement in Belgium*

Working towards achieving fiber cooperation agreements..



BIPT confirmed it will assess any agreement between operators (communication 12 Oct'23)



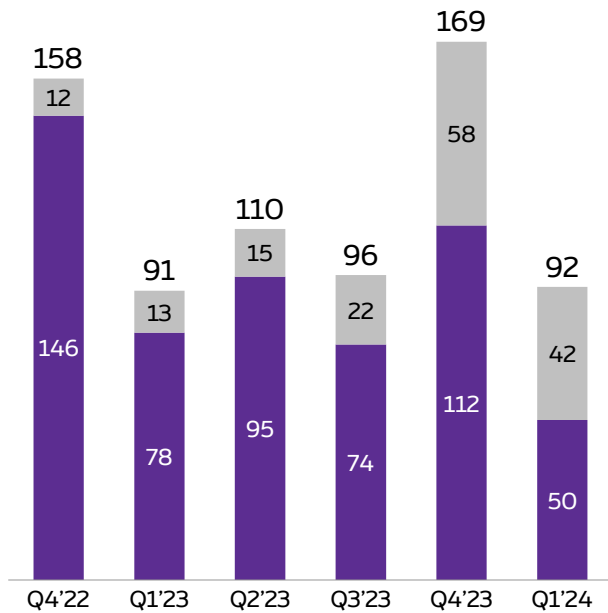
- Proximus
- Fiberklaar
- Unifiber

# 1.84M Fiber HP at end-Q1, strong HP JVs' contribution

Fiber HP footprint of nearly 31%; and “Fiber in the street” reaching 36%

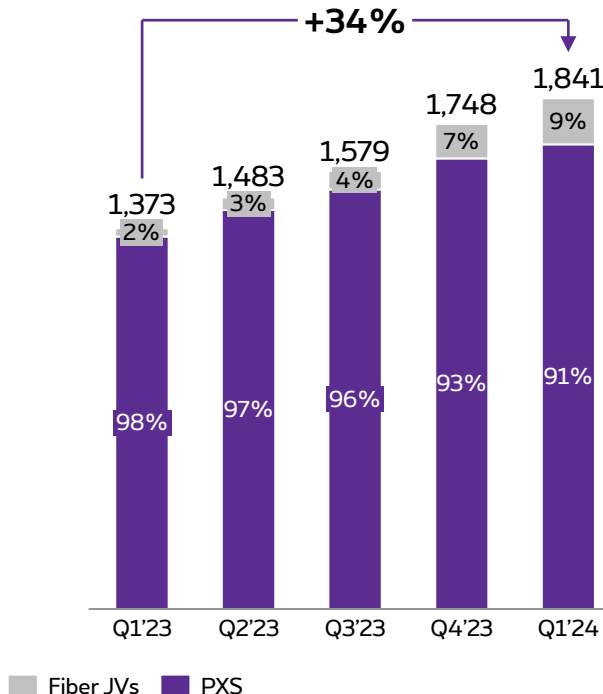
## +92k Fiber Homes & Businesses Passed in Q1

(in K, additions in the period)



## 1,841k Fiber Homes & Businesses Passed end-Q1

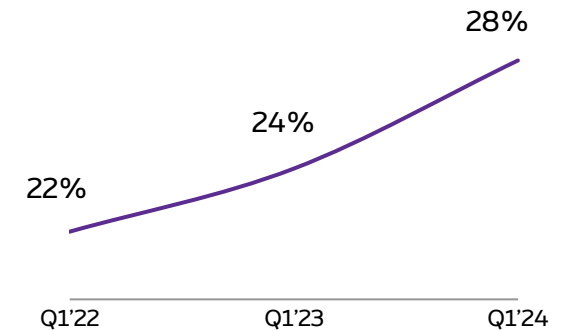
(in K, total base of premises)



## 36% Fiber in the street,

Incl. JV funnel of 320k LU, total Fiber in the street coverage of >2.1M premises.

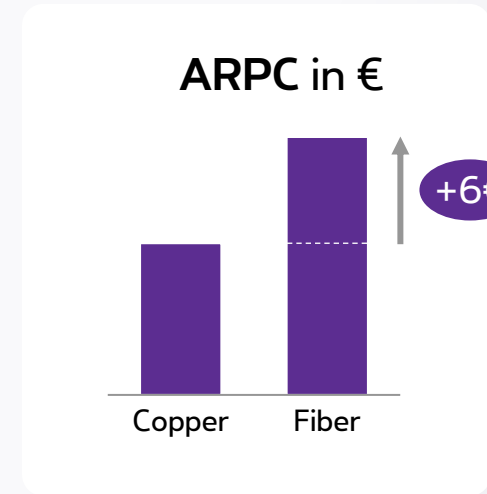
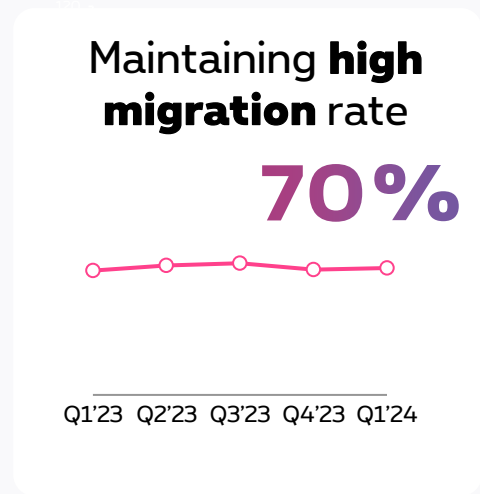
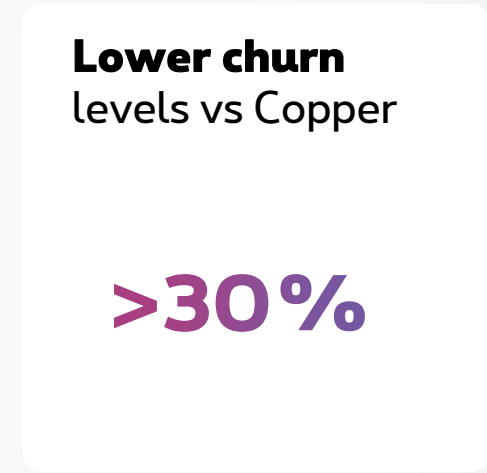
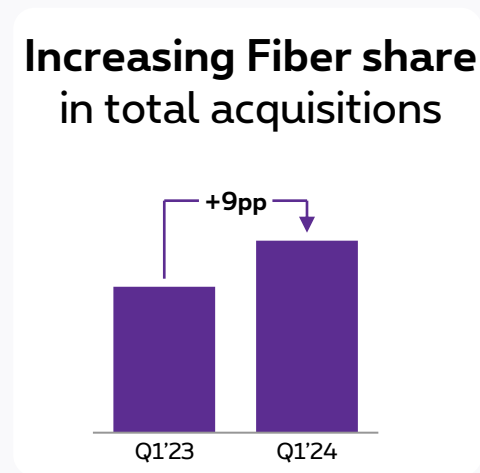
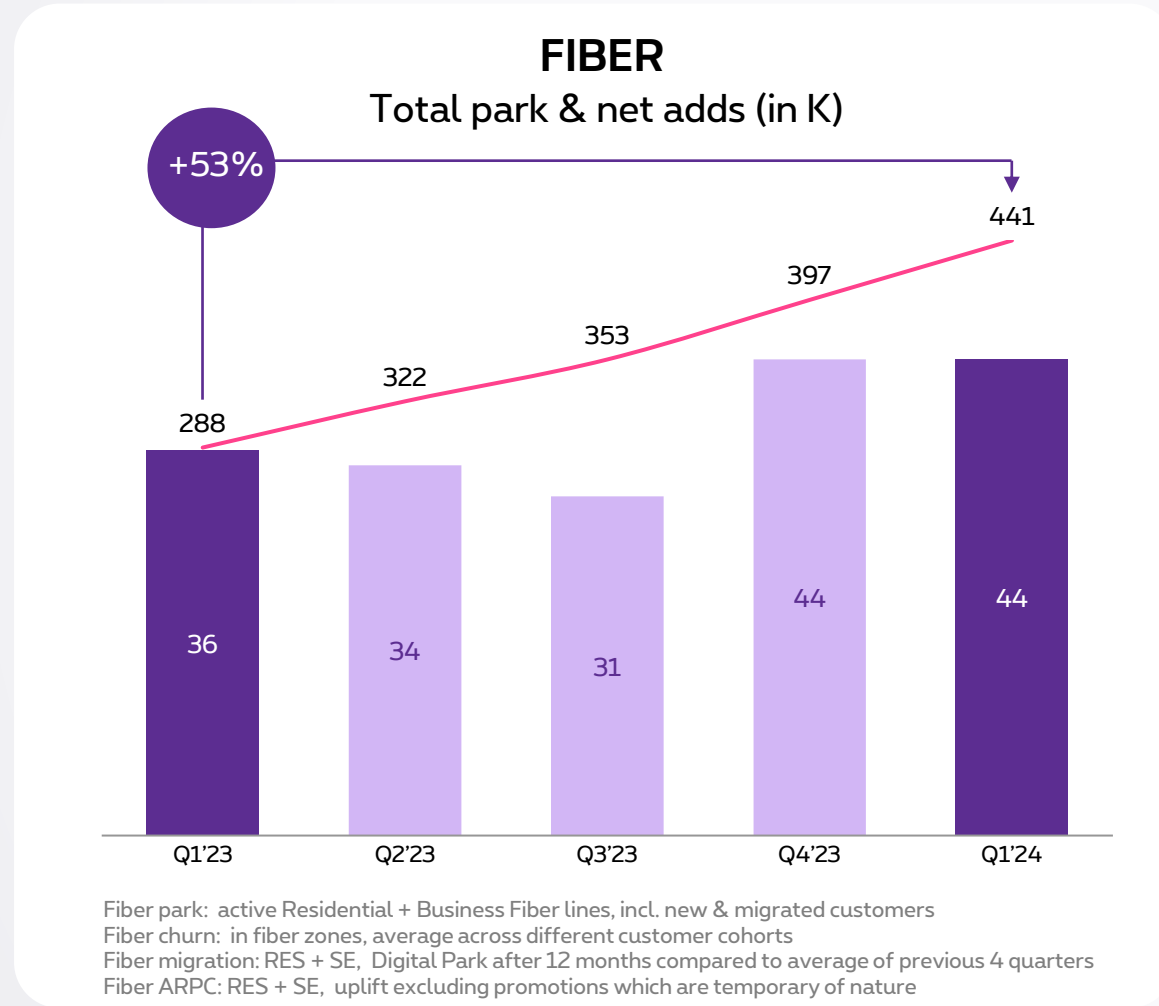
## 28% Network filling rate\*



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

# 441k activated Fiber lines by end-Q1

continued strong customer demand for Fiber





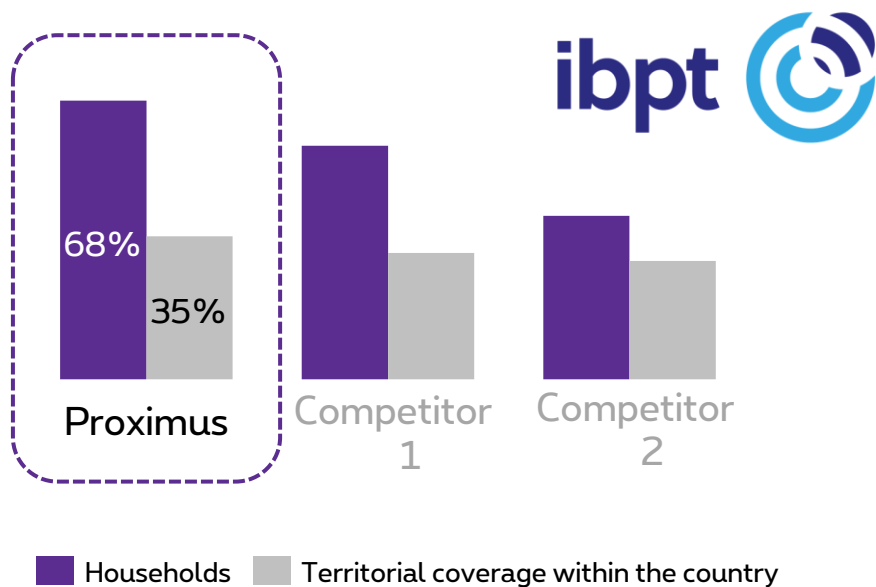
# The **best mobile network** in Belgium confirmed in recent BIPT campaign, completing previously received independent recognitions

New

## BIPT campaign results

Proximus scores best for 4G & 5G download speed

#1 Indoor 5G coverage in terms of households and territory<sup>1</sup>



proximus



Recognized as **best** telco operators in 2024



- The fastest median download speed
- The highest consistency in Belgium during Q4 2023

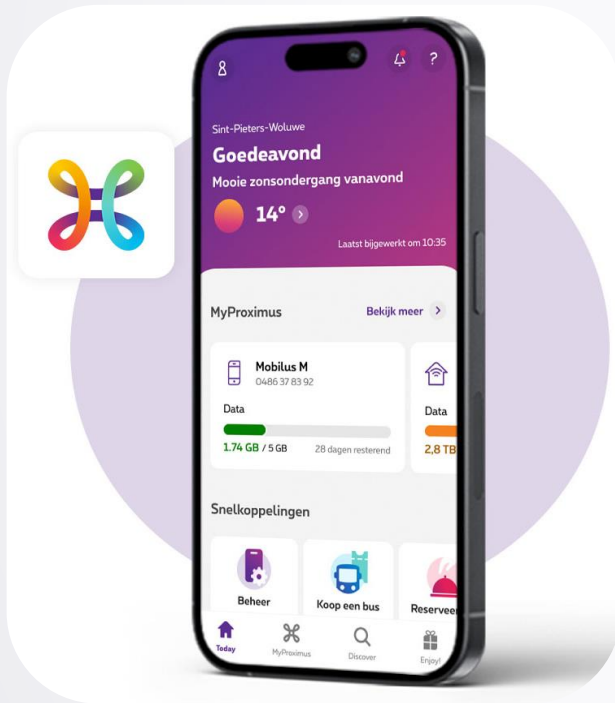



**Proximus** winner awards March 2024

- Download speed experience
- Upload speed experience
- 5G Download speed
- Coverage experience
- 5G Coverage experience

(1) Source: [Déploiement de la 5G en Belgique : cartographie et qualité des réseaux | IBPT](#)

# Launched Proximus+ app , connecting all Proximus digital platforms and expanding them through unequalled partnerships



  
**~900k users migrated from MyProximus to Proximus+**

## + sides

Easy management of **telco** services

Access to **games, deals & rewards**

Attractive, user-friendly & **personalized design**



**New services** to organize **Home Mobility** and **Neighbourhood** life

Accessible to **non-Proximus** customers

# Route Mobile transaction on track to close by mid-May

confirming at least  $\geq 90\text{M€}$  run-rate EBITDA synergy

## Process update

- **Clearance** 11 countries obtained
- **MTO tendering** period completed (~**25%** of shares)
- Validation tendered bids
- Final holding & deal **closing** (May '24)

## Deal rationale

Expanding in **Fast-growing CPaaS** market

Critical **scale and leading position** in global CPaaS and DI markets

Highly **complementary product portfolios** and **geographical** footprints

## 3 YR Ambitions\*



$\geq 90\text{M€}$   
run-rate EBITDA  
synergy potential

$\sim 2\text{bn\$}$   
Revenue

**13-15%**  
EBITDA Margin

**50-75%**  
Cash conversion

\* Estimation, as per acquisition announcement, to be realized 3 years post-closing, incl. synergies.  
With Telesign & Route Mobile each having a 3-year ambition of becoming a \$1bn revenue company

# Q1 Performance



**Domestic**



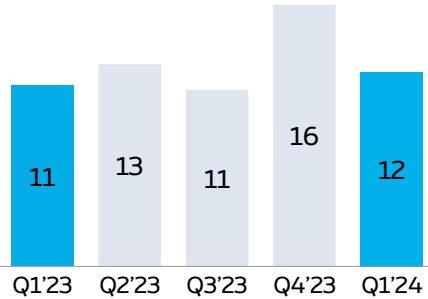
# Sustained solid commercial performance

with continued growth for Internet and Mobile



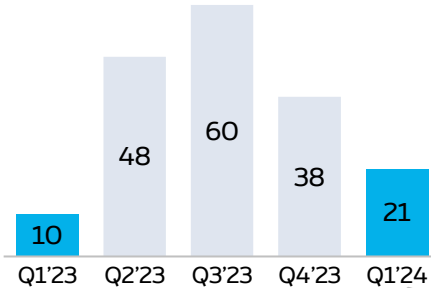
Internet base **2,279K**;  
**+52k** YoY  
**+2.3%** YoY

### Net adds Group ('000)



### Postpaid

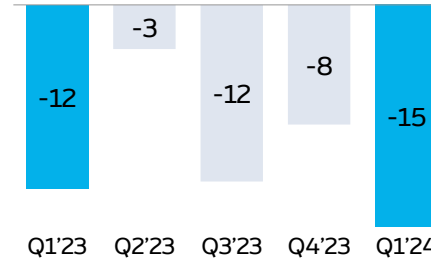
Postpaid base **4,994K**;  
**+166k** YoY  
**+3.4%** YoY



**+29k** for Residential  
**-11k** for Business (o/w -12k from Flemish Government at low ARPU)



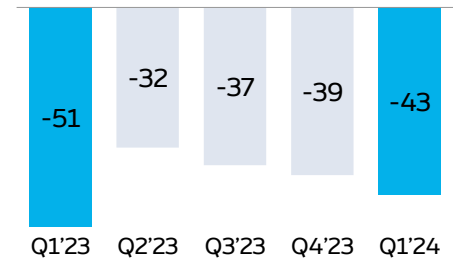
TV base **1,659K**;  
**-38k** YoY  
**-2.3%** YoY



Mitigating cord cutting effects and Fixed voice erosion



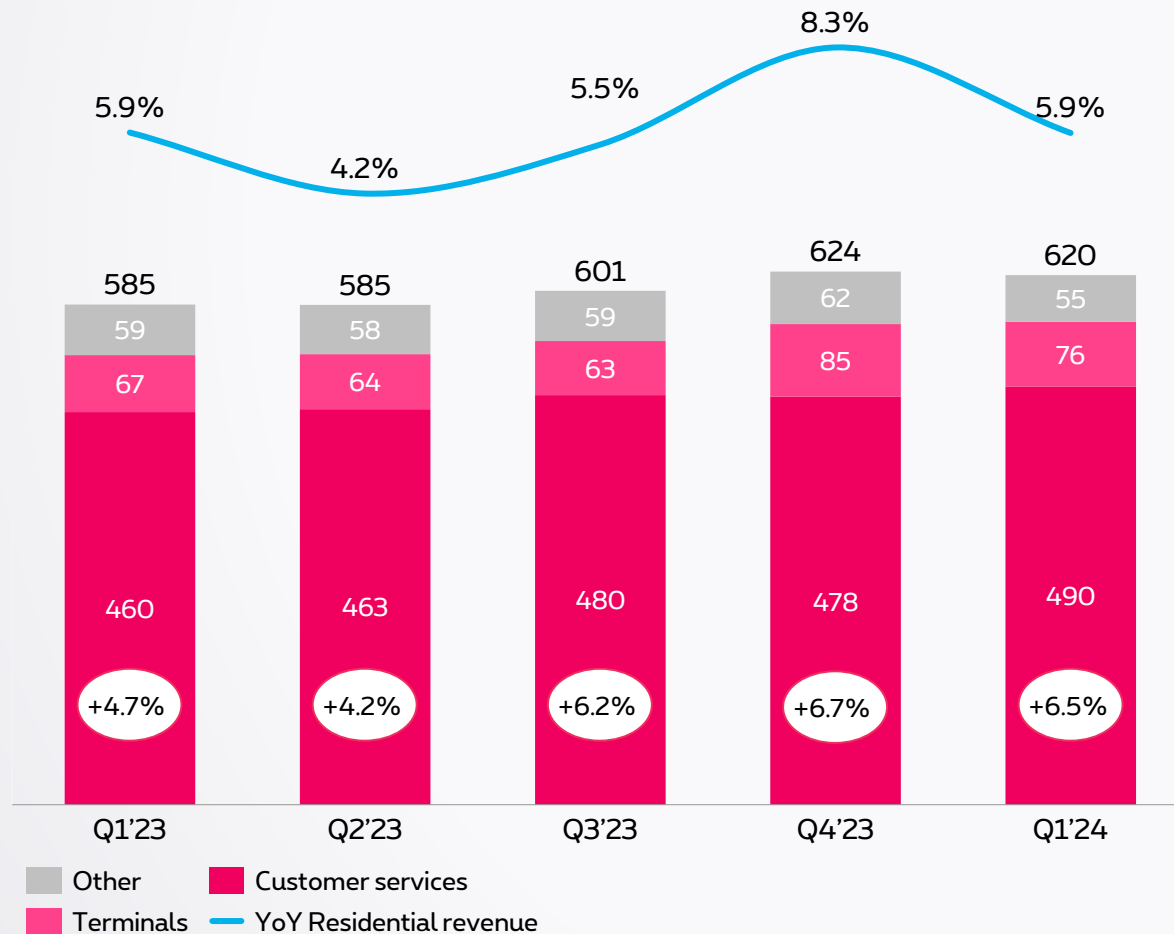
Fixed Voice **1,608K**;  
**-151k** YoY  
**-8.6%** YoY



# Residential revenue up by +5.9% YoY

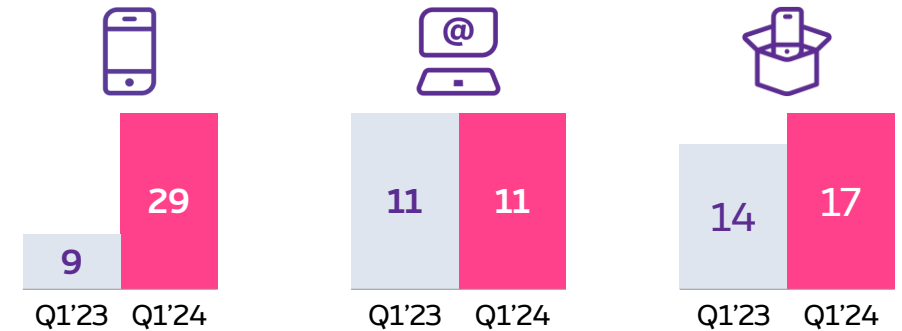
continued strong Services revenue growth up +6.5% YoY

## Residential revenue (M€, YoY)



- Customer Services revenue +6.5% YoY**

- Strong Q1'24 customer growth



- Well managed price indexations with a “more for more” approach keeping churn level under control
- Terminals revenue +13.5% driven by high-end devices**

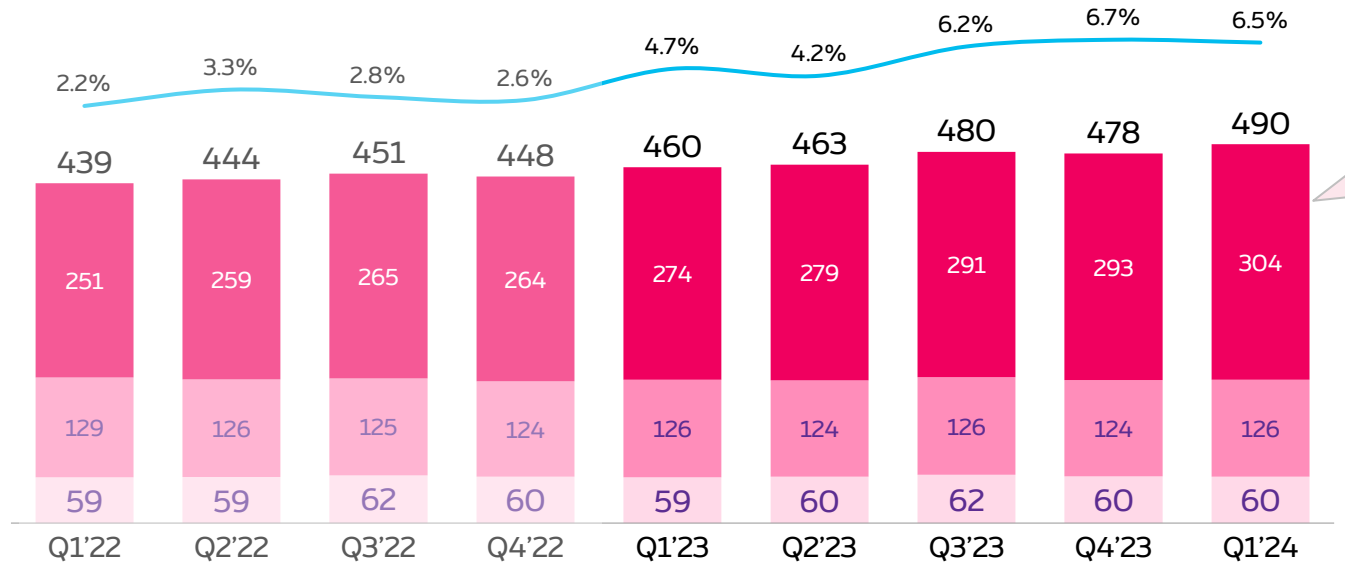
# Growing Convergent base and higher ARPC

driving +6.5% Residential customer services revenue increase in Q1

## Customer services revenue profile significantly improved:

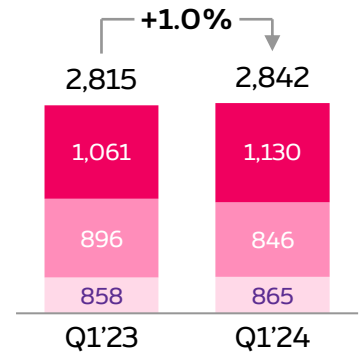
(M€)

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

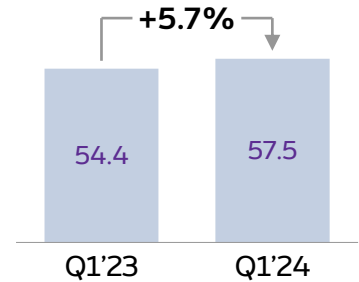


+10.9% YoY Convergent revenue

## Customers (in K) Growing Convergent base: +6.5% YoY



## +5.7% ARPC (overall, €) Supported by price indexations, upsell to convergent offers and Fiber





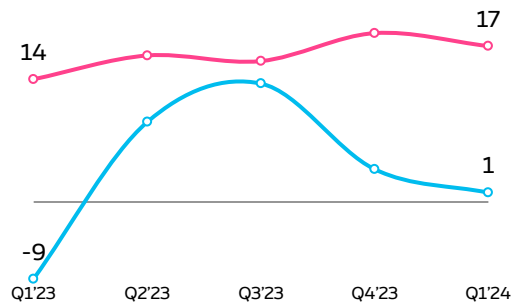
# Successful value management supported by product superiority

Strong ARPC, managed churn and strong customer growth

- Convergent
- Total (Convergent + Fixed only + Mobile only)

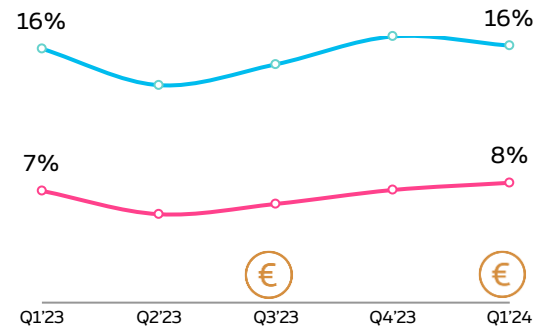
Sustaining a solid customer trend

Net adds '000



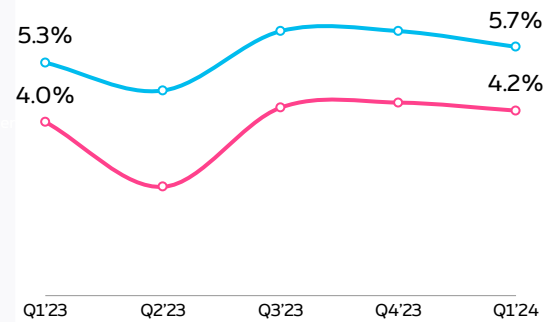
Price rises having only limited churn effect

Annualized quarterly Full churn rate



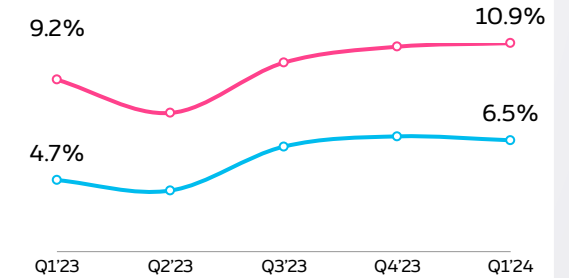
While driving meaningful ARPC uplift

YoY ARPC evolution



Empowering high pace revenue growth

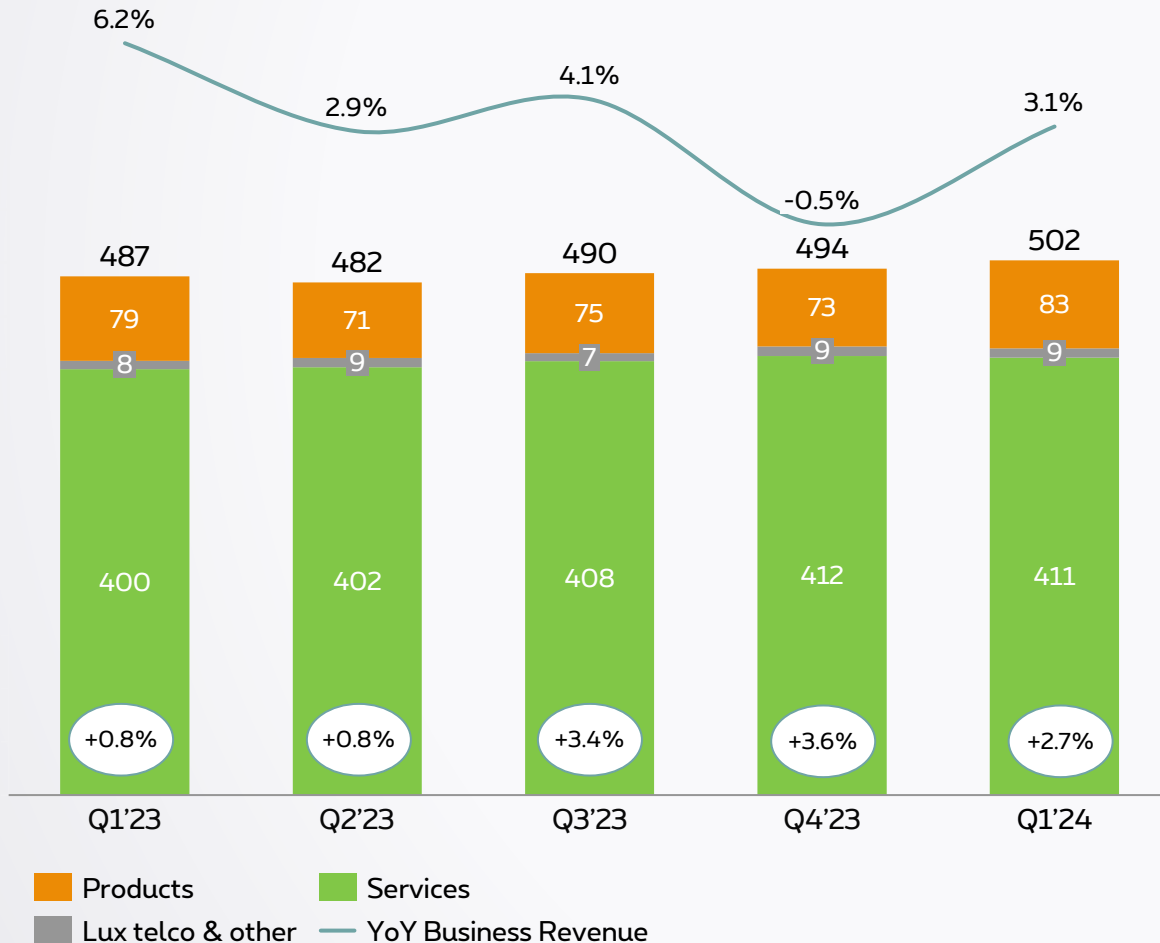
Residential Customer Services revenue YoY evolution



# Strong Business revenue growth +3.1% YoY

Business Services up +2.7% YoY

## Business revenue (M€, YoY)



## Q1 revenue

**Services revenue +2.7%**,  
Solid growth in IT Services and Fixed Data outpacing Fixed Voice erosion

**Products revenue +4.5%**,  
Fully driven by IT Products

## Customers wins\*

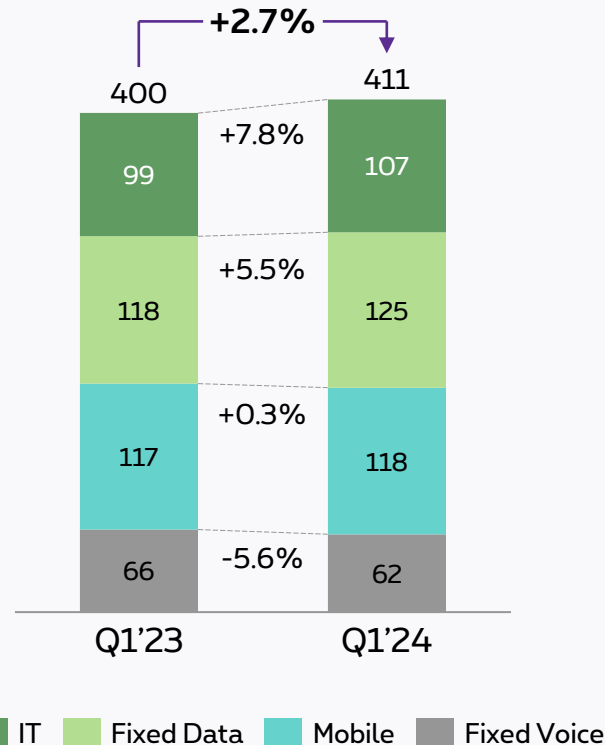


\*limited to those with customer's consent

# Solid continued B2B Services revenue growth

IT Services and Fixed Data growth outpacing Fixed Voice erosion

## Business Services revenue (M€)



**+7.8% IT Services** driven by growth in Smart Network, Cloud, Security and Smart Mobility

### **+5.5% Fixed Data**

- Internet revenue up, ARPU +6.6% & stable base with growing share of Fiber
- Slightly growing data connectivity revenue, managing value in the transition to SD-WAN services

### **+0.3% Mobile\***

- Stable customer base year-on-year
- Stable first quarter ARPU
- Growth supported by A2P messaging

### **-5.6% Fixed Voice**

- Revenue erosion contained through value management
- ARPU growing for four consecutive quarters



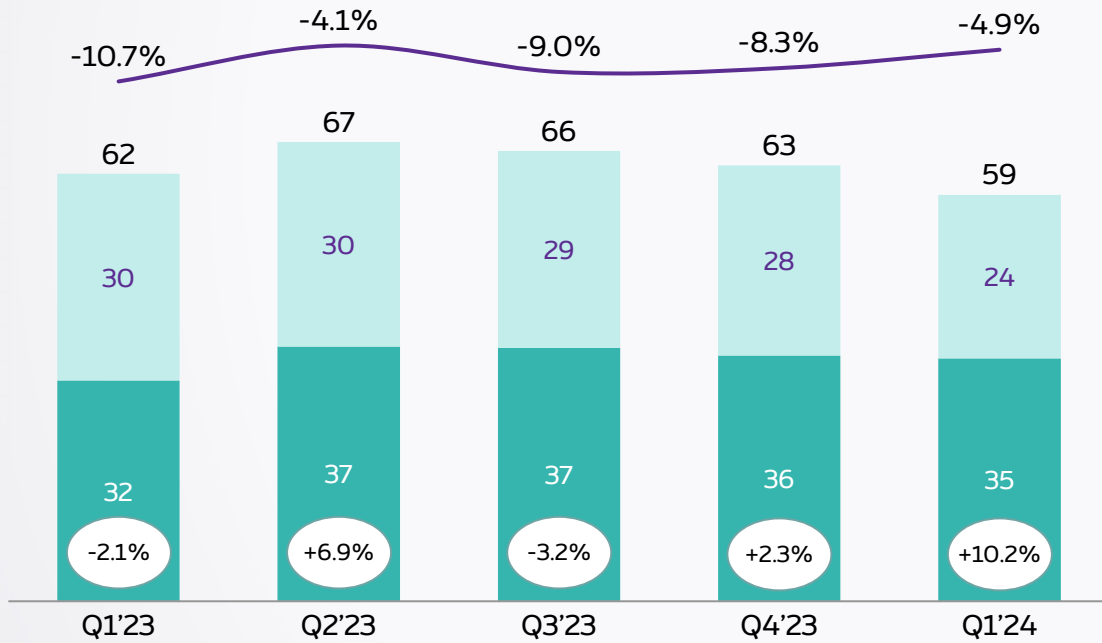
**proximus NXT**  
tech. bizz. people.

\*Including impact of Flemish Government contract loss for B2B segment (-12k in Q1 2024)

# Wholesale Services revenue +10.2%

continued decline in interconnect revenue

Wholesale revenue (M€, YoY)



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

**Q1 Fixed & Mobile Services revenue +10.2%** on a low comparable base

- Higher roaming volume
- Growing JVs services revenue

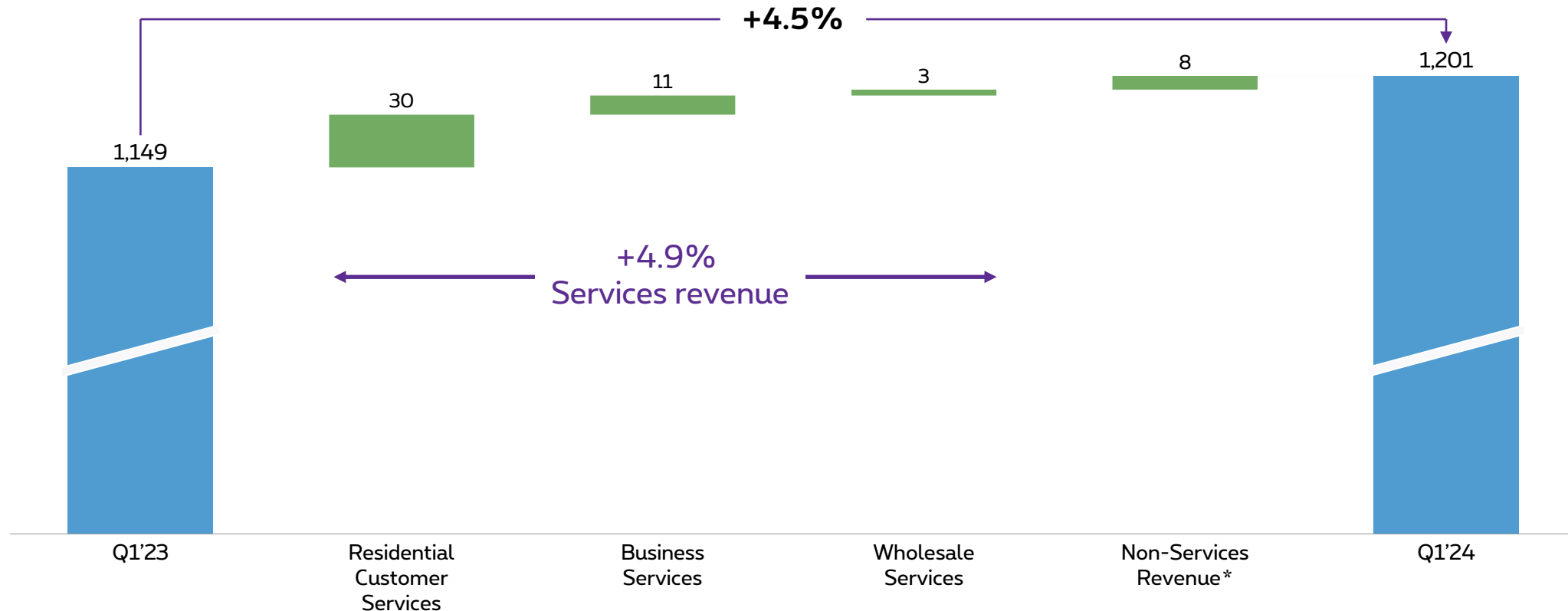
**Interconnect revenue -20.9%**

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

# Sustained strong Domestic revenue growth, +4.5% YoY

revenue from Services up by +4.9% YoY

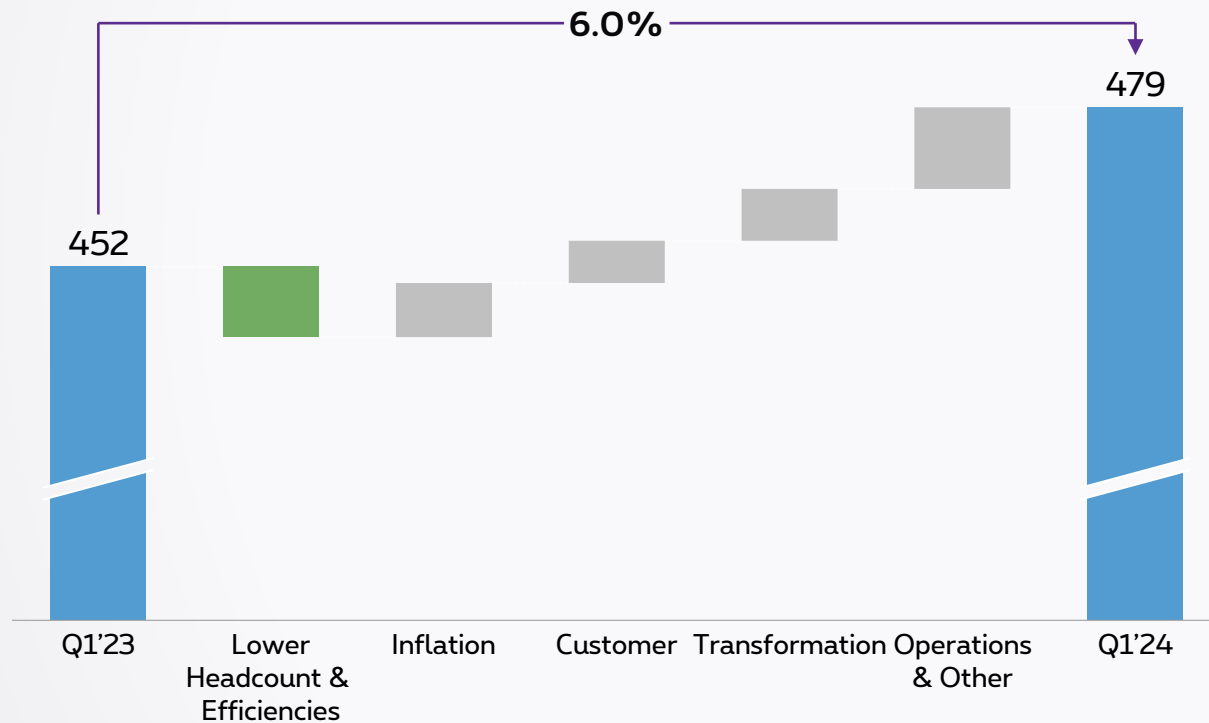
Revenue  
(underlying, M€)



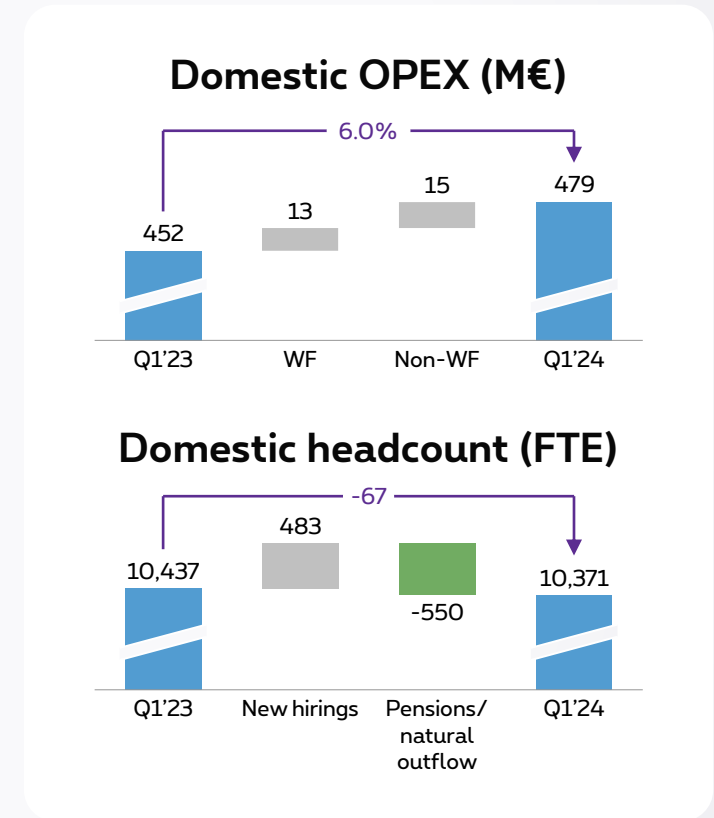
\*Aggregate of Residential Prepaid, Wholesale Interconnect, Lux. Telco, Terminals and IT hardware, Others revenue & Other Operating income revenue

# Continued cost efficiency delivery more than offsets inflation effect, customer OPEX increases driven by strong commercial momentum

**OpEx**  
(management view, underlying, M€)

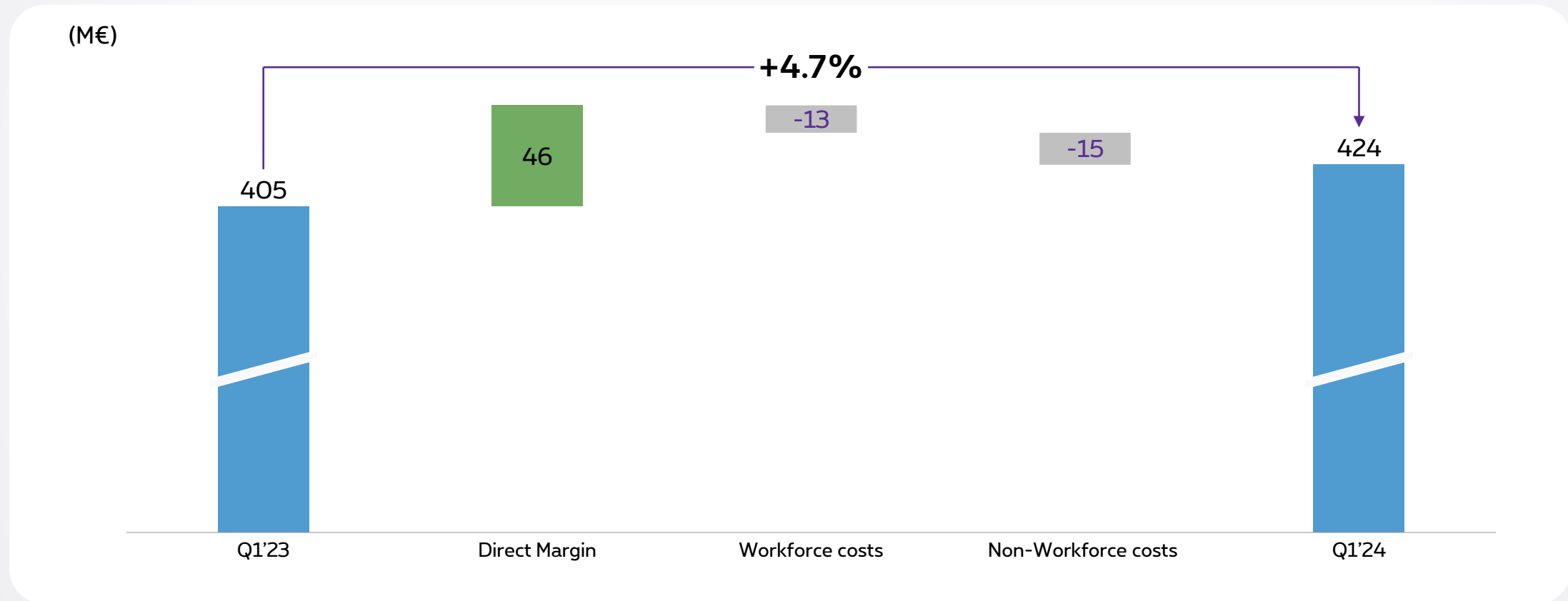


- **Inflation:** wage indexations (Dec'23) and other inflationary costs increases
- **Customer related costs:** acquisition, retention, migration and servicing costs
- **Transformation:** Mwingz, HQ rental and Cloudification
- **Operations & Other:** Cable repair & other HR related cost



## Domestic EBITDA +4.7%

Strong Direct Margin growth and cost efficiencies outpacing inflation impacts



**International**



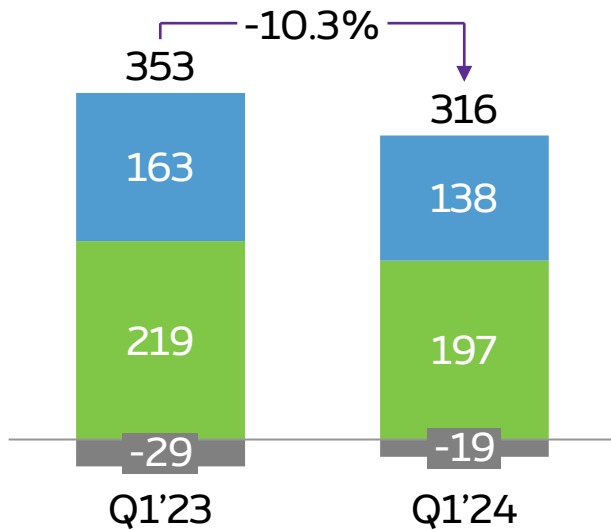


# International EBITDA up +8.6% YoY

driven by Direct Margin growth and close cost management

## Revenue International (M€)

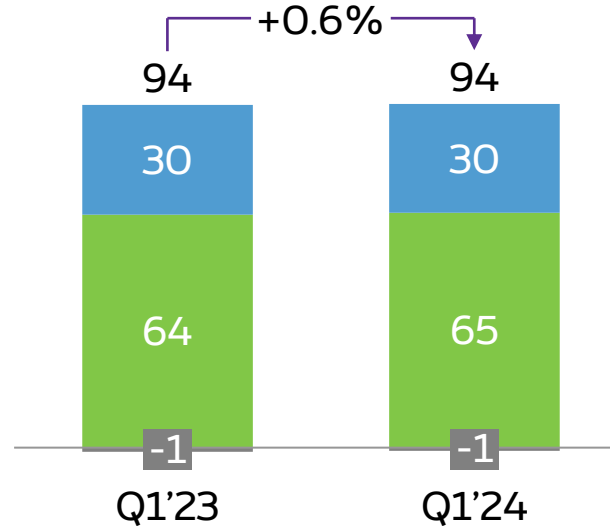
-10.2% at constant currency



- -10.2% at constant currency
- Revenue decline largely in services with lower-margin products

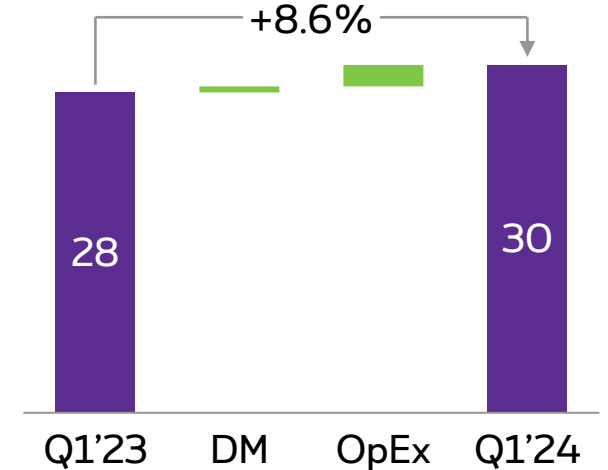
## Direct Margin International (M€)

+0.7% at constant currency



- +3.2pp margin to 29.8%
- Limited top line impact on DM growth

## EBITDA International (M€)

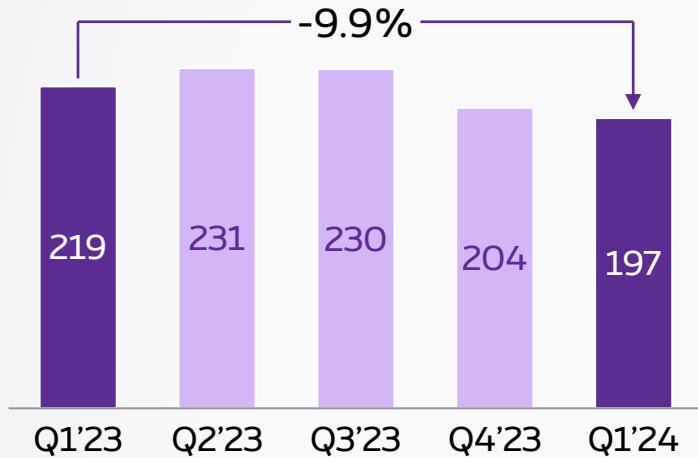


- DM growth
- Focused OpEx management

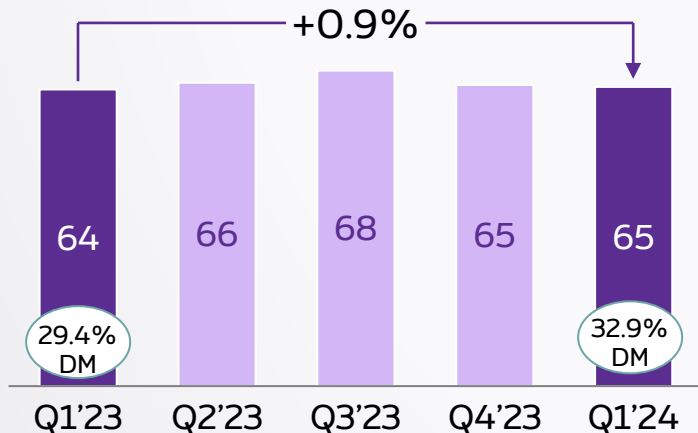
# Communications and Data\* Direct Margin grew by +0.9%

mainly driven by Digital Identity, Mobility Services and Cloud Communications

## Revenue Communications and Data (M€)



## DM Communications and Data (M€)



- Revenue impacted by lower CPaaS SMS volumes, **limited DM impact due to high termination costs**
- Ability to capture transition from **A2P SMS to omnichannel** solutions, at better margin profile.
- DM growth driven by **DI (+18%), Mobility Services and Cloud Communications.**



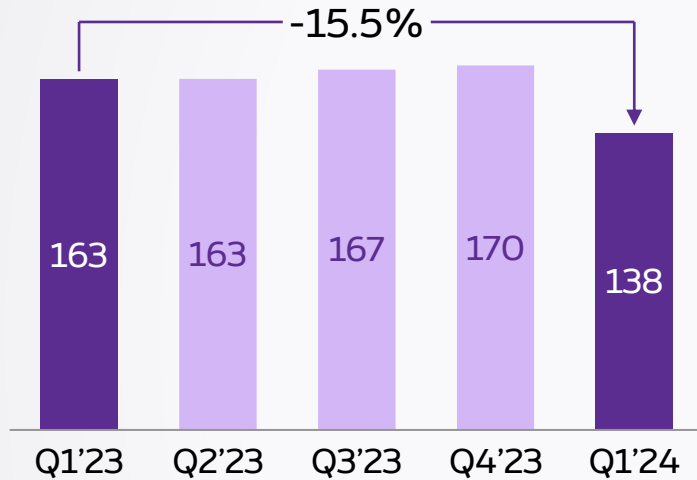
Launch **Verify API**, an Integrated Omnichannel Verification Solution in the Global Battle against Cyber Fraud

\*Product group comprising, amongst others, CPaaS, DI, Mobility, Cloud Communications and IoT.

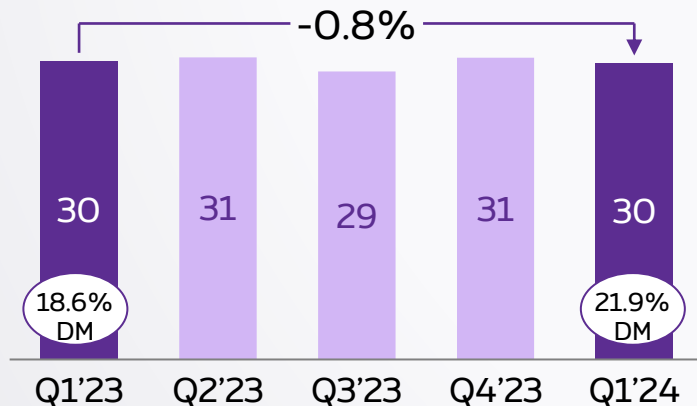
# P2P Voice and Messaging\* Direct Margin down -0.8%

Revenue impacted by Voice products

## Revenue P2P Voice and Messaging (M€)



## DM P2P Voice and Messaging (M€)



- Keeping strategic strong position on profitable destinations in an inherently declining voice market.
- **Revenue YoY down on:**
  - VoLTE rollout in roaming, accelerating volume erosion
  - YoY unfavourable change in destination mix
- **Direct Margin**
  - Limited impact from low-margin revenue erosion
  - Positive contribution Telecom operators settlements (timing)

\*Product group comprising Voice, Capacity, P2P + MMS messaging and Other Legacy Products.

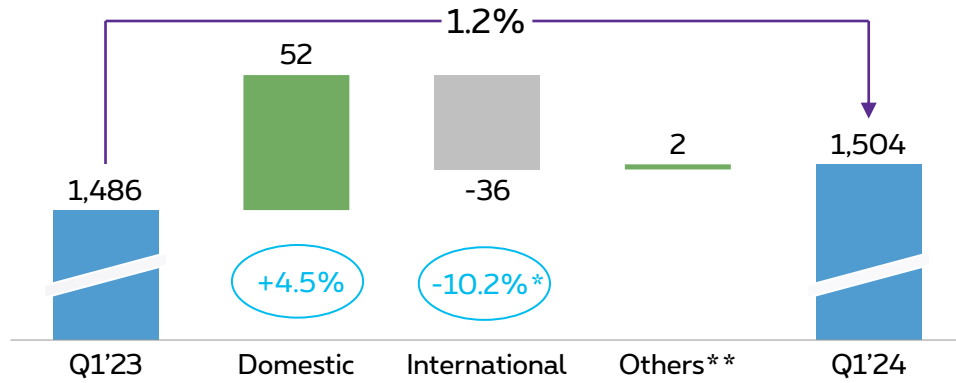
**Group**



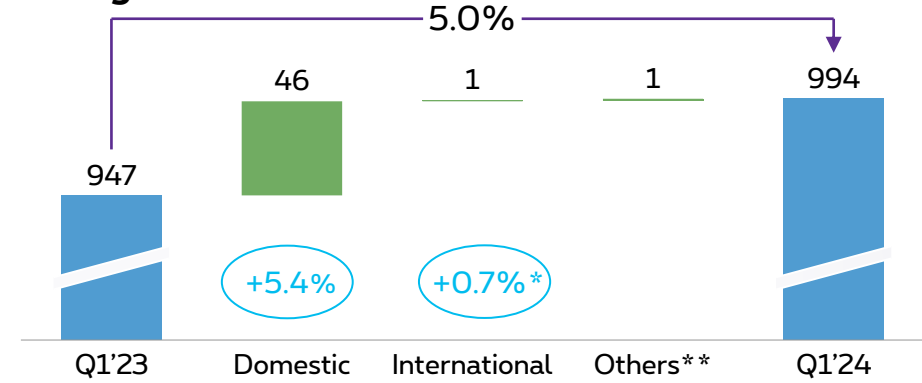
# Q1 Group EBITDA +5.0%,

growing Direct Margin more than offsetting the moderating cost increase

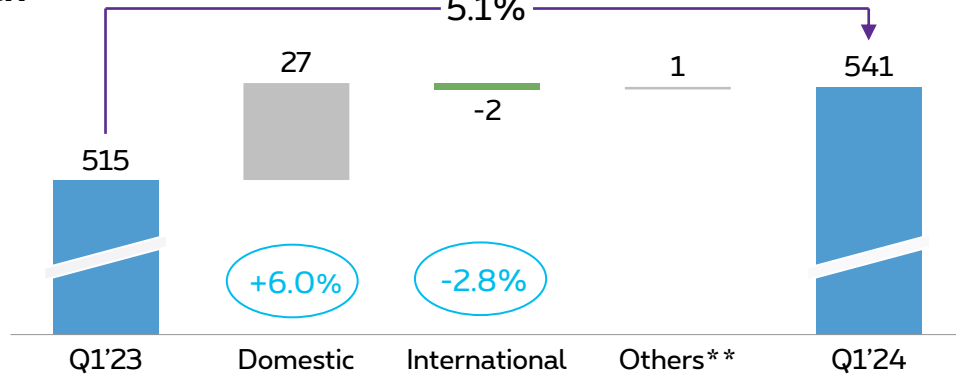
## Revenue



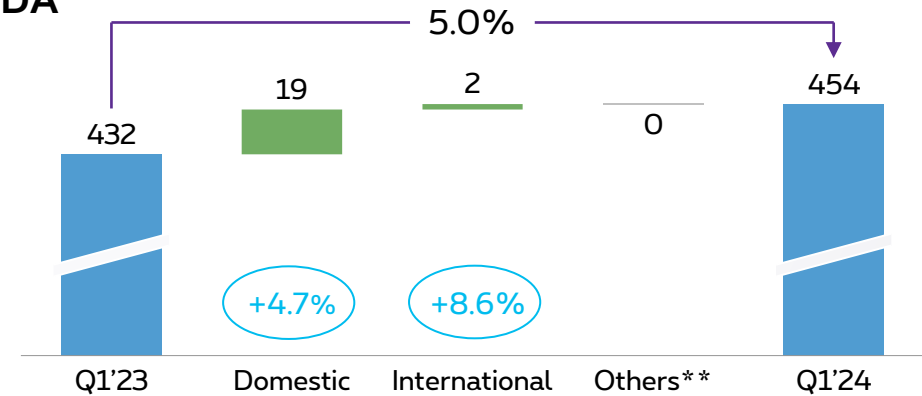
## Direct Margin



## Opex



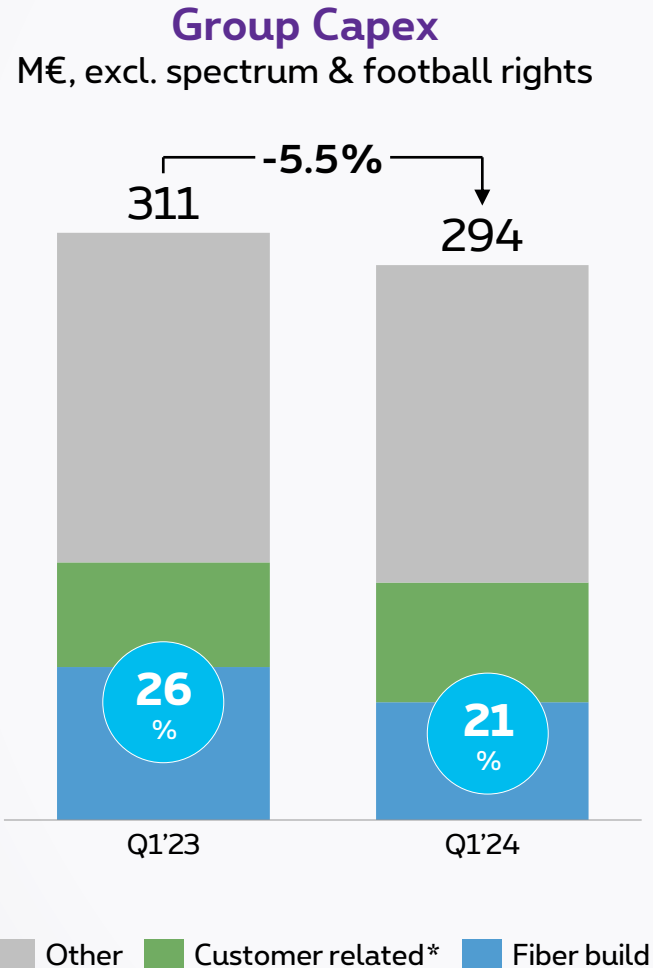
## EBITDA



(all underlying, M€)  
 \*In constant currency  
 \*\*Eliminations

# Q1 2024 Group capex of 294M€

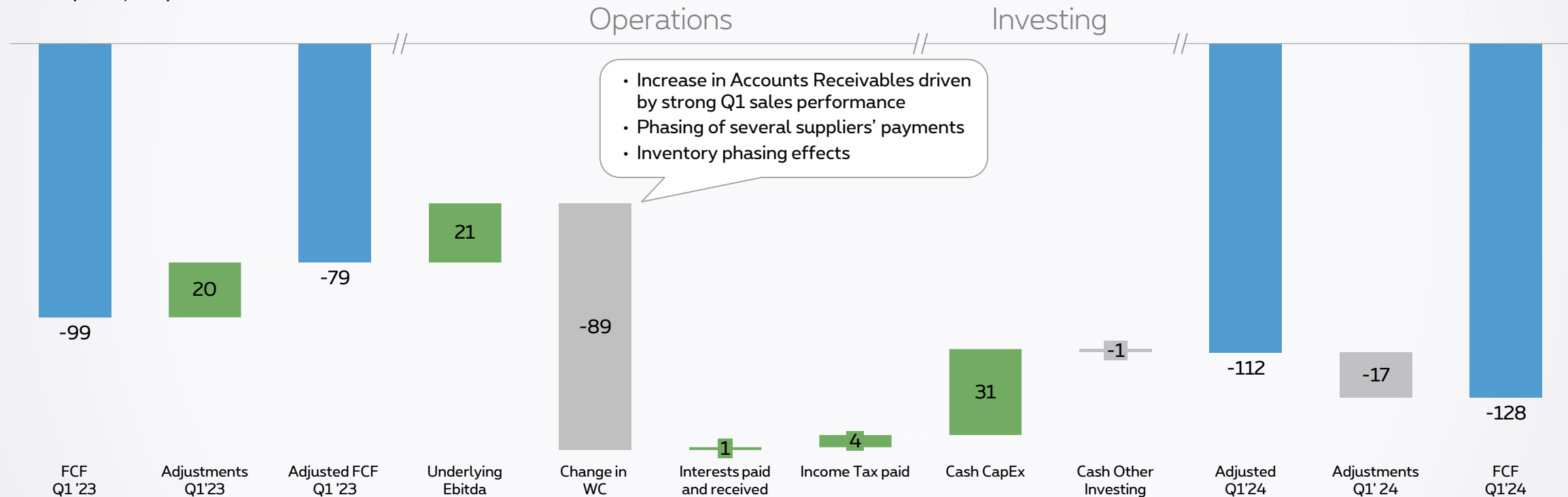
well on track to end the year within guidance of c. 1.2B€



- Proximus **Fiber build volumes** reducing
- 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**

# In-year phasing effects on WC needs impacted adjusted FCF, more than offsetting benefit of higher EBITDA and lower cash CapEx

## FCF (YoY, M€)



- The FCF graph represents a management view. The composition reflects the main components, sometimes in aggregate, and might differ from the Consolidated Cash Flow statement.
- For Q1'24, adjustments to FCF consist of acquisitions and M&A-related transaction costs mainly related to transaction with Route Mobile.

# Reiterating 2024 guidance

Guidance metrics	FY2023	YTD 2024	Outlook FY 2024
Underlying Domestic revenue	4,665M€	+4.5% YoY	Growing Up to 1%
Underlying Domestic EBITDA	1,636M€	+4.7% YoY	Growing Up to 1%
Underlying Group EBITDA	1,757M€	+5.0% YoY	Growing* Up to 1%
Capex (excl. Spectrum & football rights)	1.325bn€	294M€	Around 1.2bn€
Net debt / EBITDA (As per S&P definition)	2.6X	NR	Around 2.7X*

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

- interim of €0.5/share in Dec'24
- remainder of €0.1/share in April '25

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



# Q&A

To ask a question, join the conference call

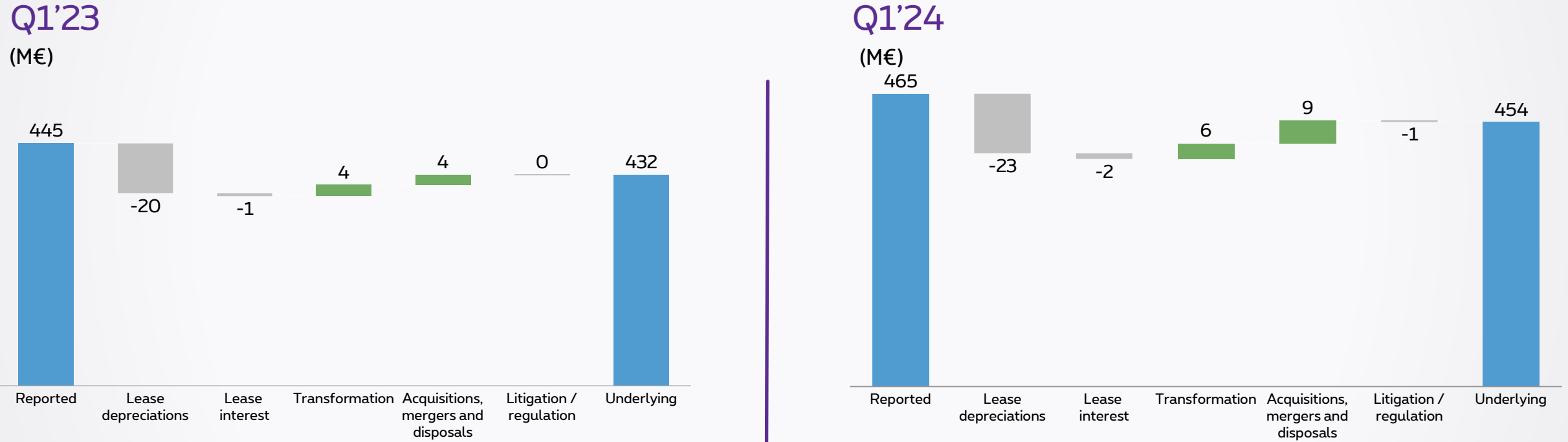
→ Register [here](#) for the Q&A to receive your dial-in details.



# Appendix



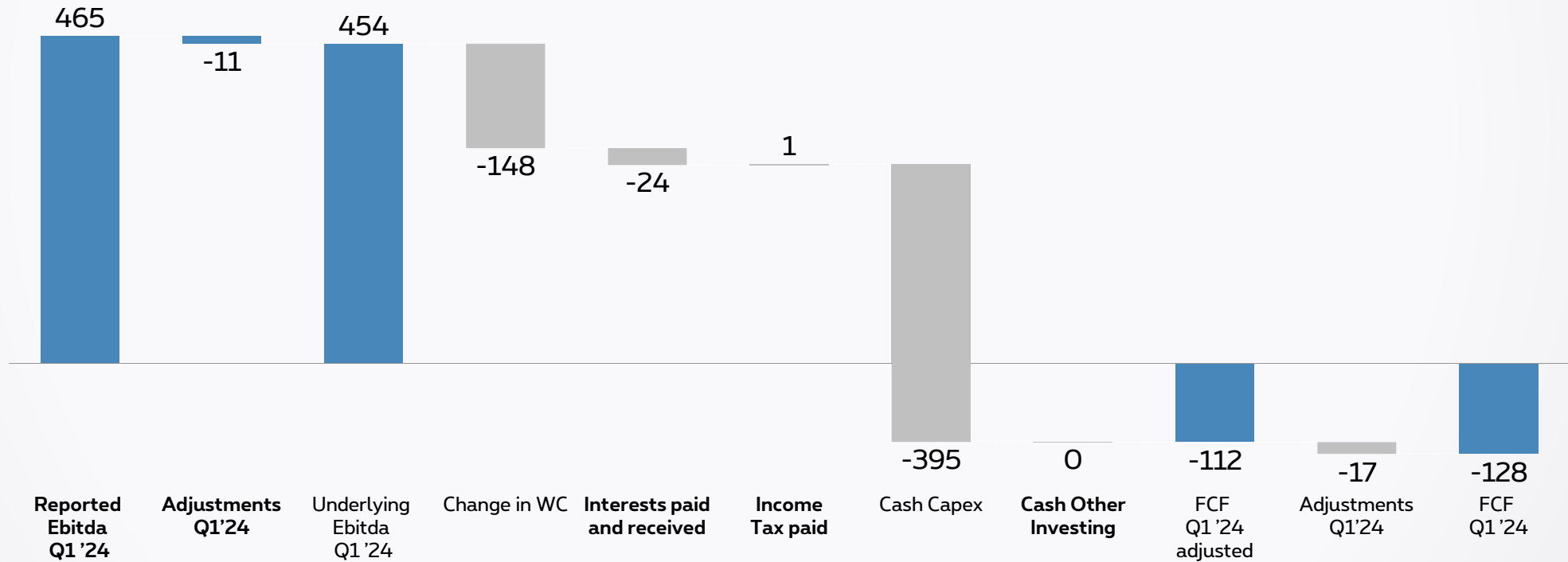
# From reported to underlying – EBITDA adjustments



# EBITDA conversion to FCF

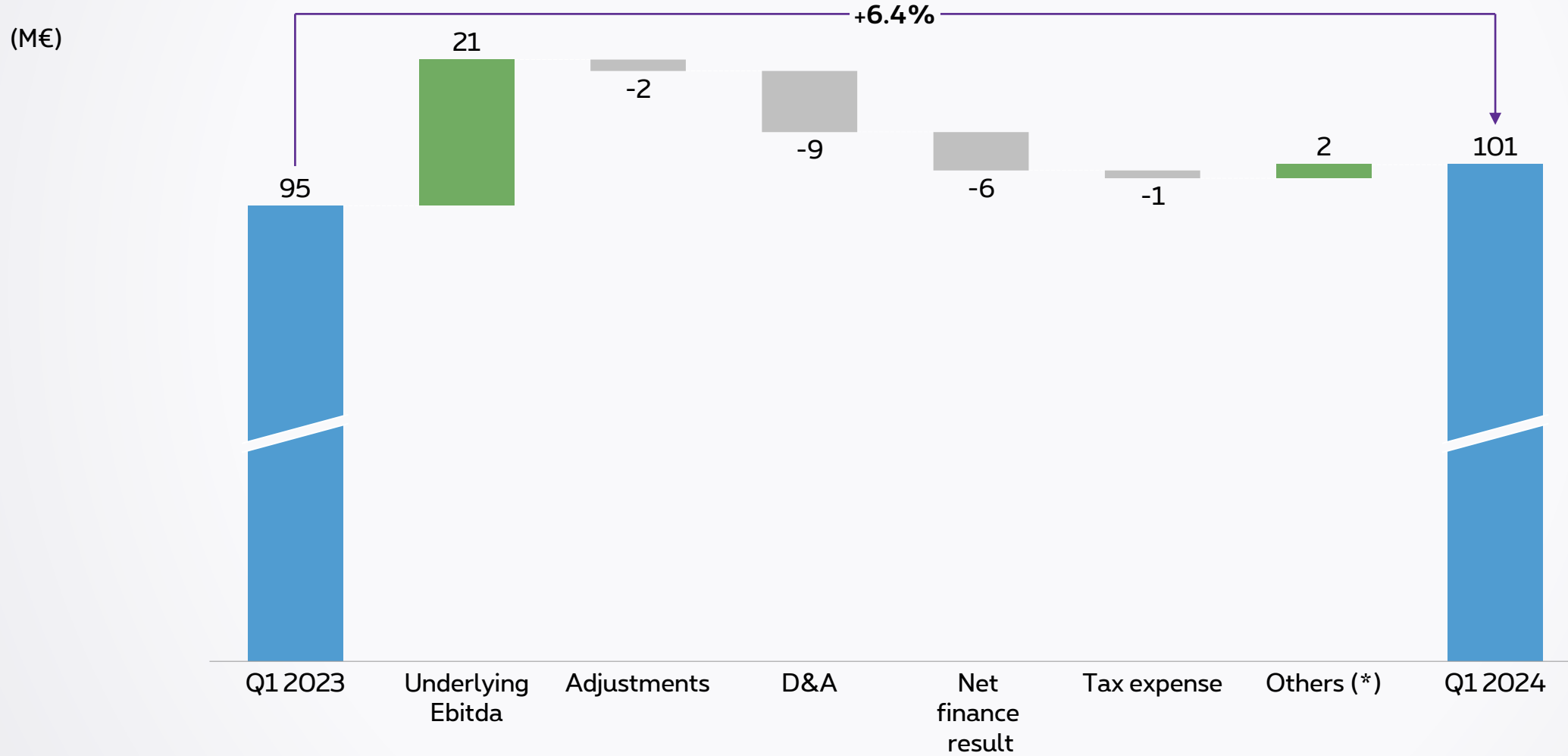
Q1 2024

(M€)



# Net income

(Group share)

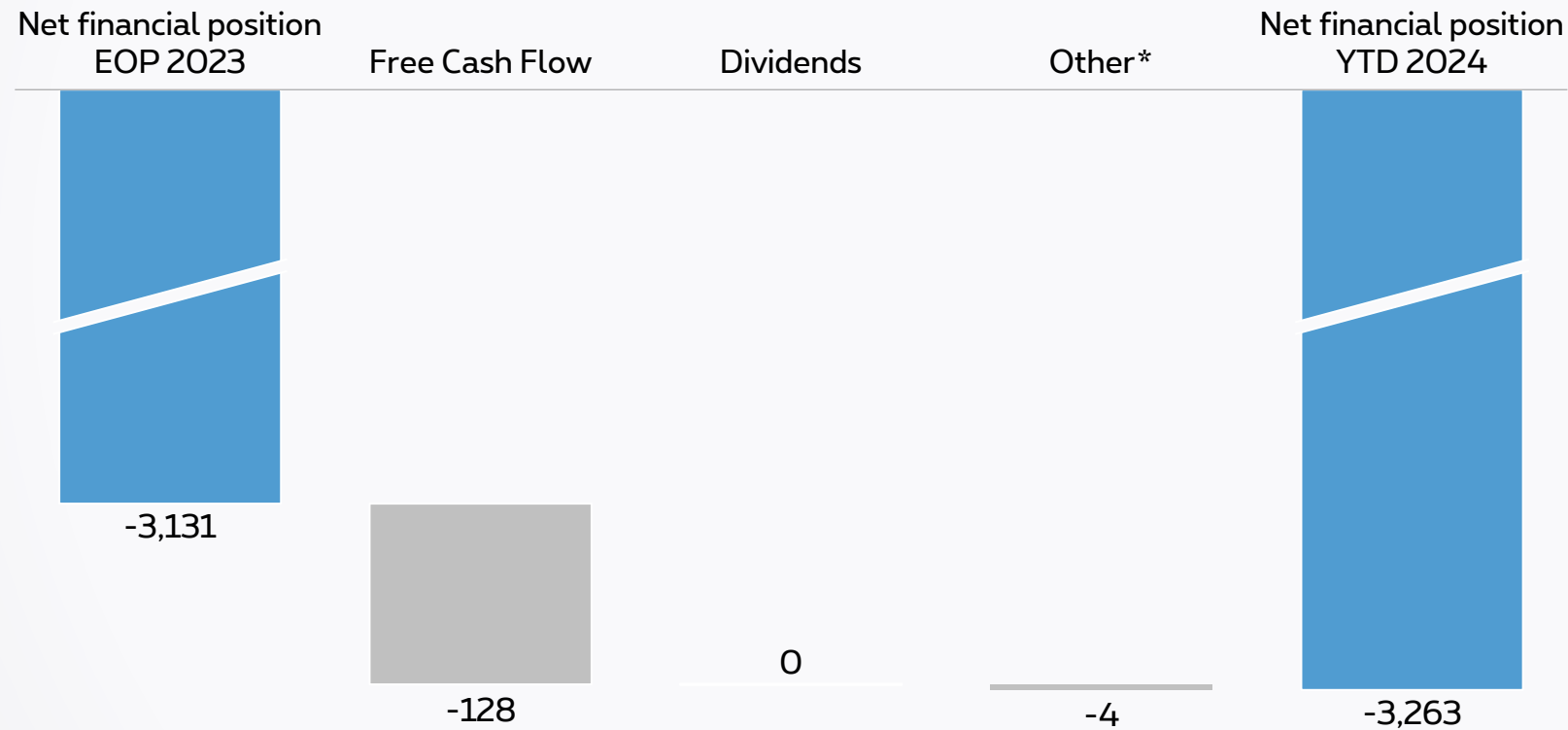


\* Includes Non-controlling interests and Share of loss from associates

# Adjusted Net Financial Position (excl. lease liabilities)

Keeping a sound financial position, with net debt/EBITDA ratio within comfort zone

(M€)



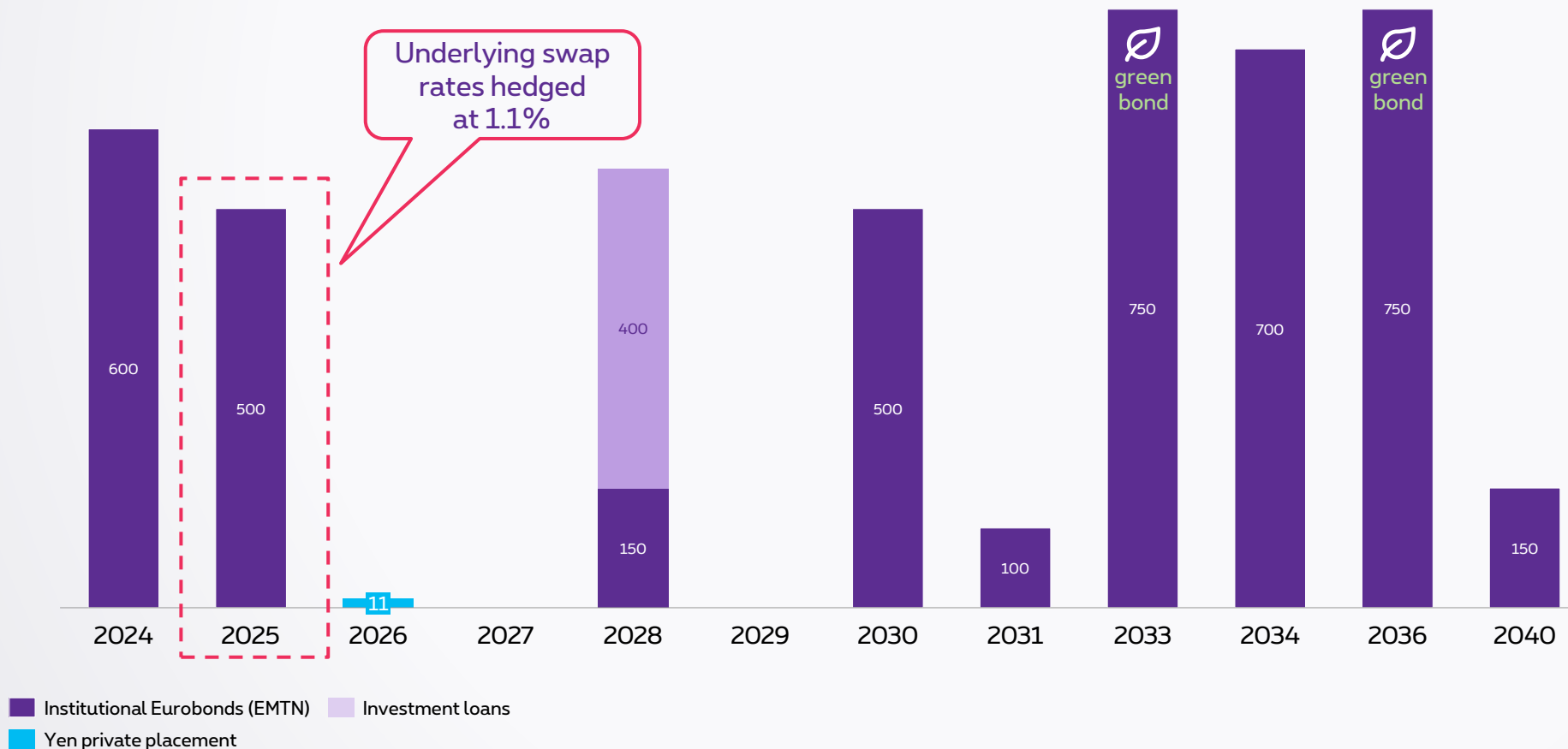
\* Mainly remeasurement to fair value of cash flow hedge instrument for future LT debt, net of debt issuance, Sale of treasury shares and repayment of Debt

# Managing maturity and average coupon

Successfully issued a 700M€ 10-year bond due March 2034 carrying a 3.75% coupon

## Debt maturity schedule (M€)

← ~35% in next 5yrs →      ← ~65% in ≥ 5yrs →



### Credit ratings

S&P BBB+ (stable outlook)

Moody's A2 (stable outlook)

**2.6%**

Weighted average coupon  
(long-term only)

**7.2**Yr

Weighted average debt  
duration (long-term only)

# Shareholder structure

Status **31/03/2024**

Total number of shares

**338,025,135**

Free-float

**42%**

Belgian Government

**54%**

Market Capitalization

~€ **2.5**Bn

Gross Dividend yield

~**16%**

	Number of shares	% shares	% Voting rights	% Dividend rights	Number of shares with voting rights	Number of shares with dividend rights
<b>Belgian state</b>	180,887,569	53,51%	56,11%	55,99%	180.887.569	180,887,569
<b>Proximus own shares</b>	15,636,066	4,63%	0,00%	0,21%	0	693,702
<b>Free-float</b>	141,501,500	41,86%	43,89%	43,80%	141,501,500	141,501,500
<b>Total</b>	338,025,135	100,00%	100,00%	100,00%	322,389,069	323,082,771

The voting rights of all treasury shares are suspended by law. Proximus has 15,401,433 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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