

Transcription
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Presentation

Operator

Ladies and gentlemen, good afternoon, and welcome to Proximus Q3 2020 Results Conference Call. For your information, this conference is being recorded. At this time, I would like to turn the call over to Nancy Goossens, Director of Group Investor Relations. Please go ahead.

Nancy Goossens

Thank you. Welcome everyone. I hope you and your family are all keeping well and healthy these days. We will start the call with some slides presented by the CEO, Guillaume Boutin. After the introduction, we will turn to your questions. So the other participants on our side are Katleen Vandeweyer, the CFO, a.i.; Jim Castele, the Chief of the Consumer Segment; Anne-Sophie Lotgering, the Chief of the Enterprise Segment; Dirk Lybaert, the Chief Corporate Affairs; and the CEO of BICS, Daniel Kurgan.

They will all be very happy to take your questions in a moment. But first, Guillaume will take you through the main messages of today. Guillaume, please go ahead.

Guillaume Boutin

Thank you, Nancy, and welcome ladies and gentlemen. Thank you for joining us on this Q3 results conference call. I will take you through some highlights of the quarter. But first, a topic that concerns us all. The last few days have been marked by a fierce revival of the COVID-19 pandemic. We take our societal role very seriously and the health and safety of our employees and customers remains our top priority.

Therefore, we have decided to close our shops as of Monday. The customers can, of course, still make an appointment or interact digitally with our sales staff. We are also taking some initiatives to support our customers through the crisis, be it a bit different from what we have done for the first wave. We especially want to ensure that everyone can study or work from home without worries, so we decided to temporarily remove down on limits for all our residential fixed internet products. We also want to support specifically the healthcare workers.

They will be provided an addition of 10 gig of mobile data, so that they don't have to worry about staying connected. We hope that we can make this difficult period a bit easier this way. Although the sanitary situation is alarming, our operations have proved the resilience so far. And I'm very proud of the results that we have achieved in the third quarter.

As you can read in your release this morning, we have closed a strong quarter of our domestic operations with our domestic revenues even very slightly positive, and this in spite of the ongoing loss of roaming revenues due to the COVID-related travel restrictions. The significant sequential improvement from the more than 4% decline in the previous quarter resulted from a combined better revenue performance across all our domestic segments, especially the consumer segment showed a nice turnover with Q3 revenues growing up by 2.3%.

As the revenue improvement was, for good part, driven by high margin services, the domestic direct margin showed as well an improved year-on-year trend turning flattish over the third quarter in spite of the COVID-19 headwinds. At the same time, we continue to manage our domestic cost base. We explained at the second quarter results that the potential of cost savings in the second half would not be at the same level as for the first half.

Nonetheless, we still achieved a 2.6% cost reduction this quarter. This was driven by lower workforce expenses down by 4%. However this combined, brings us to a solid Q3 domestic EBITDA of €438 million, a 1.9% improvement compared to the same period of the previous year.

Now turning to page four. The sanitary crisis continued to impact our financials, yet not fully to the extent we expected. The most important impact on direct margin by far remains the loss of roaming margin due to the limited traffic. As you can see on the indicative graph, roaming traffic within the EU was over the third quarter back to fairly normal levels. The traffic outside of the EU, however, remains significantly below last year.

As for our ICT business, the consequences of the health crisis so far remains limited. There are even some opportunities as we can support our professional customers by bringing business continuity solutions. Revenue from Hybrid Cloud, Advanced Workplace and Smart Networking for example progressed compared to last year, be it mostly low margin product revenues.

What is more in the lockdown in March, we have seen a change in customer behaviour with a sustained higher usage of telecom services even when we stopped the free usage we gave during the lockdown earlier this year. We have seen this for mobile data usage and fixed voice. As a last point on this slide, some of the consequences of COVID-19 actually brings some benefits for example in terms of continued higher digital sales and lower cost for sponsoring and media production.

Turning now to slide five. A word on our operational results, which with continued strong customer growth for both our Proximus and Scarlet brands. We are holding quite strong in the Belgium markets in spite of the competition with the solid share in the total market growth. I'm very proud of this achievement as it shows that the effort that we have done in terms of customer satisfaction and brand image are really showing in our net adds.

We see for the Proximus brand a strong commercial traction on the consumer side boosted our new convergent offering, Flex launched in July 2020. And our Scarlet brand continues to thrive offering the most compelling no frills offer in the market for cost conscious customers.

And now bit more on our Flex offering. The launch of Flex was very successful and we see the offer leading up to expectations. As shown on the previous slide, it gave a boost to our mobile postpaid base, thanks to an attractive multi-mobile offer. The increase of our multi-mobile customer base positively impacts the average revenue per customer, which was up by 1.3% year-over-year to €59. And as shown on the bottom right, Flex supports a further growth in our convergent base, hence we saw for the third quarter our revenue from convergent customers growing year-on-year by 4.1%.

Now turning on the next slide. With our Inspire 2022 strategy, we want to innovate and grow by building partnerships and bringing relevant content to our customers in a simple and attractive way via our TV platform, Proximux BICS. An excellent example is our agreement with Disney+ making Proximus the only telecom operator in Belgium to offer access to the Disney+ streaming service directly via the Android TV decoder.

More recently, we also decided to join forces with On Rewind, a young subsidiary of the Euro Media Group, thanks to this partnership, Proximus' customers subscribing to All Sports package will benefit from an innovative interactive video player and an intense football experience that is unique in Belgium.

As for fibre project, we are progressing very well. Today, we are deploying fibre in 14 Belgium cities and mid-October we've reached over 400,000 homes passed. As we announced in July, we plan to go even broader and faster with two partners. I'm pleased to announce that we have signed the final agreement with Eurofiber this week. A new joint venture between Eurofiber and Proximus will be set up allowing the JV to connect at least 500,000 homes and businesses to fibre in Wallonia. The JV will cover the designed, built and maintenance of the network.

The fibre network will be open and accessible to interested wholesale customers. The file will now be submitted for approval to the competent authorities. For Flanders, the contract negotiation is progressing well. We'll update you on our fibre network strategy after the closure of both contracts, so we can give some more insights.

Now turning to slide 10. In meantime, we also got some more clarity on the fibre regulations. The BIPT published its rough decision in which it compared a wholesale prices with our own cost model. The BIPT concluded that the rate we currently apply are reasonable and in line with the regulation as was set by the BIPT in 2018. The final decision is expected in the first half of 2021.

I'm on slide 11 now. Earlier this month, we also announced the selection of Nokia and Ericsson as our partners for the modernisation of our mobile hand and core network. Our choice is based on the combination of operational, financial and environmental criteria. As the selection process was very competitive, we'll be able to realise this essential element of our network strategy at a lower cost that what we anticipated in our Capital Markets Day plan.

The cumulative saving on our total mobile CapEx projection for 2021 until 2023 is therefore expected to be up to €80 million. This is in spite of more ambitious rollout that initially foreseen. Now that the selection process has been completed, we can further embrace the potential of 5G and innovation.

Moving to the BICS segment on slide 12. The COVID-19 effect on worldwide travelling had a significant impact on the direct margin and it comes on top of the progressive in-sourcing by MTN. The resulting direct margin loss was somewhat compensated by a continued strong performance by TeleSign provided solid growth in the domains of mobile identity & authentication.

Also on the positive side, the numbering business of BICS did well with most sales of local dial in numbers to call players like Skype and Zoom. On a different note, as we have communicated before, there is a sales process of BICS ongoing. There is no news to share today on this subject. Several parties are involved in this process and obviously BICS shareholders are looking to get a fair value. We'll of course inform the market as soon as we have an agreement with a suitable partner.

This brings me to slide 14 on our guidance, which we have reviewed upwards. Our projections for the year indeed improved mainly as a result of a better business trends in our domestic operations combined with a lower-than-anticipated COVID-19 impact. Based on our achievement so far and remaining vigilance for the volatility caused by COVID-19, we feel comfortable raising our full year 2020 guidance for our Group underlying EBITDA minus CapEx to at least €830 million. As for our Group CapEx for 2020, put by licenses and spectrum excluded, we estimate this to be below €1 billion.

For our shareholders, I'm happy to announce that in line with our three-year dividend intentions the Board approved year-to-date return an interim dividend of €0.50 per share, which will be paid on 11th December.

As a very last point before turning up to your questions, just wanted to highlight our newly signed sustainable RCF. It's our first ESG-related funding facility. It is thanks to the proceeds of our sustainability goals that we obtained this and it highlights the commitment we have taken on our ESG ambitions.

With this, I've covered my introduction and I suggest we take your questions now.

Question & Answer

Operator

Thank you. Ladies and gentlemen, please press 01 on your telephone keypad. It's 0 and 1 on your telephone keypad. First question, Nicolas Cote-Colisson from HSBC. Please go ahead.

Nicolas Cote-Colisson

Hi. Good afternoon. Two questions please. The first one is on the cost savings and workforce. What's the natural attrition rate for the next few years? And how do you see recruitment needs in the same period, just to find out if there is scope for further savings without a new plan? And my second question is around the new government. There are few arbitrage pending at present, including the 5G options. Could you indicate if you have still in touch with the minister and find out what priority for the sector and if you have any wish list you may have for her, please? Thanks.

Katleen Vandeweyer

So as to the workforce, I think in 2020 in the first quarter, we have of course seen a very important decrease of the number of workforce with the fit-for-purpose plan and the last wave of the ELP plan. Now going forward, we do see further opportunities for decreasing our costs at least without having – not to have a new plan. And I think this has to do with the change in the type of functions that we will need because as you know we're accelerating the rollout of fibre. So what we will have is that we will have a lot of new functions needed for fibre rollout, but at the other hand some less future-proof functions they will have to be decreased.

And all this can be achieved without having a second fit-for-purpose plan, thanks to the fact that we still have a lot of external workforce which we can redirect.

Guillaume Boutin

And just to complement, I think we are sticking to a commitment to have a decrease of our OpEx cost by in between minus 1% and 2% CAGR for the next three years.

On the government priority, of course, we have several interactions already with the government and the minister, the new minister. So of course in terms of the wish list, it's difficult to give all the details that we shared with the minister, but what I can say that for the auction process, I think that indeed foreseen has been quite a important priority for us and to recognise that as soon as possible, but you know that it will take some time and we cannot expect to have those auction process started before end of next year and probably it will be in between end of next year and beginning of 2022.

Of course the discussion and the conversation we have with the minister is to create a framework, an environment in which we can really invest in the new infrastructure in the best way we can. You know that we have committed to invest massively in fibre to built – fibre infrastructure for Belgium. And this is quite important also for our new government because it will be clearly a platform to help the economy recover as fast as possible.

So I think that we are really in that mindset to how to make sure that the framework in which Proximus will evolve will be a framework that is favourable for infrastructure investments.

Nicolas Cote-Colisson

And Guillaume, if I may follow-up, it seems that the 5G auction is not [inaudible] obviously as you said. But how does it change your plan in terms of investment in 5G because obviously you're keen in 5G, but you don't know how much your license will cost. So how do you deal with your investment plans for the next 18 months?

Guillaume Boutin

That's a good question. So first we are rolling out 5G on our existing infrastructure with the light 5G, so that will continue to do in Flanders. We have more than 100 sites deployed on light 5G. But of course then the question is more on the consolidation of the network in order the new generation 5G will be also developed in sync with Orange. So it means that at what moment we need to accelerate the consolidation of our sites, so mobile sites. That's really the question regarding the timing of the auction.

So we are really monitoring the best we can. At what speed we need to consolidate and combine the two networks, so that we will be at the right moment and making sure that we are not investing too soon to roll out that joint network with Orange.

Nicolas Cote-Colisson

Okay. That's great. Thank you.

Operator

Thank you. Next question from David Vagman from ING. Please go ahead.

David Vagman

Yes, hello. Good afternoon, everyone. Yes, two question from my side please. First on the multi-SIM discount and the success of the Flex offer. Can you tell us what has been the momentum in September and maybe now even in October, especially taking into account the competitors reaction. So I'm talking about Orange Belgium reacting expanding its own discount on multi-SIM and maybe to some extent the promotion from Telenet. So that's my first question. And then secondly, I think all three players, all three operators has now reported very decent broadband net adds in Q3. Do you think the Belgium market, I mean, in fixed the internet penetration is actually increasing because of COVID or do you think this is pent-up demand? And could – yeah, that this momentum could basically fade away than in Q4? Thank you.

Jim Castele

Good afternoon, everybody. So this is Jim Castele speaking. So on the first question linked to Flex, we are indeed very satisfied as Guillaume already mentioned in the introduction on the commercial performance that we have realised with Flex. The Q3 results are actually a combination of again a strong back-to-school campaign joint offers and the Flex launch as of 1st July, that has also contributed of course to a very strong postpaid results.

In terms of competitive reactions actually, we feel that the market hasn't really reacted as such to Flex which for me confirms the message that we gave also last time that we are market conform when you look at multi-mobile family offers in the premium market segment. We have seen indeed quite some commercial traction, which is typical for the end of year campaign coming up. So we see it more as part of that element.

And at this stage, we don't really see – sorry, we continue to perform very strong on our sales with both our own commercial campaigns, again, a combination of Scarlet joint offers and Flex. So we continue to see good traction of those commercial elements. So that was on the first question.

And then on the second question linked to the operational performance of the markets over the last month, especially then on internet net adds if you look over the last nine months, because I think it's better to look over a longer period, because as you know with COVID we had quite some challenges on our quarterly operational numbers and the way it balances from one month to the other. So if you look over the last nine months, we have seen indeed that the results also of the other market players that the market on internet has been better performing in growth than last year and we think indeed that COVID has definitely reaffirmed the relevance and the importance of a good internet connection, and it might be that indeed in certain segments this has led to adoption of internet products that were maybe previously a combination of mobile data and internet on another place.

So I think the fact that people now study from home and work from home in certain segments has probably led indeed to an adoption of internet that was not there before. It's difficult to have a good feeling on how this will evolve over the coming quarters, but indeed over the last nine months we have seen that market having a better traction.

David Vagman

Thank you. And maybe a very quick follow-up on consumer and the direct margin. Could you explain us actually the – or give us more detail about the evolution of this direction margin in Q3? And basically how much of it is really Q3 specific or COVID specific, or how much is related to, let's say, you selling more online on the digital – more digital sales? Thank you.

Katleen Vandeweyer

So the consumers direct margin was of course still impacted by COVID and especially in the roaming revenues. But in contrast to Q2, we no longer have the effect of the easing measures. And as to the very good performance of the consumer's direct margin, I can also highlight that we saw a lot of increase in mobile traffic as well as fixed traffic. And so this was supporting as well the Q3 consumers direct margin. And on top of that, I think like in previous quarters, we had the e-Press, which supported the direct margin as well as the inflation and the very good operational results.

David Vagman

Thank you.

Operator

Thank you. Next question from Emmanuel Carlier from Kempen. Please go ahead.

Emmanuel Carlier

Hi. Good afternoon, all. Three questions from my side. The first one is on the guidance. You upgraded the guidance, but could you give a bit more colour on where you expect EBITDA to land because based on your guidance, the full upgrade could also come from CapEx, which I think is lower quality as it's more a timing effect? Secondly on VOO. What do you expect to happen there in the coming months and how are you preparing to limit the financial impact? And then lastly on your broadband net adds. They were better than expected. But if you look at what your peers have reported, they look somewhat soft I would say. So it looks like you have been losing some share I think. So just wondering if you have any idea how VOO is performing in that segment? Thank you.

Guillaume Boutin

So on the first question, on the guidance, I understand there is some questions a bit on how to understand our guidance upgrade. So I will try to give you a little bit of colour around that. So we raised our company estimate for this year based on better business trend, that's first. And also on milder COVID impact that's what we expected. But of course we are remaining quite careful in our projections. I think what we all agree that today the visibility is a little bit lower than usual and seeing the remaining uncertainties around COVID we really are keeping a prudent approach.

The fact is that we have seen some positive business trends in terms of usage. To what extent, as Katleen mentioned, this positive usage trends are here to stay and for how much remains to be seen. Also while so far the impact of COVID on our business segment has been rather limited, it could turn. So from our perspective, the guidance upgrade to at least €830 million Group EBITDA minus CapEx - and the at least is important here - is based on a better EBITDA.

Now looking at where the consensus is today, our guidance upgrade means that the consensus on CapEx should come down a little whilst the consensus Group EBITDA should move up a bit. And logically with CapEx moving down a bit while Group EBITDA bit higher, this also positively impacts the free cash flow. I think this is the best visibility I can give you at this stage. But I hope it gives some more colour of our guidance. So just to be quite clear, we don't see that as a timing effect on CapEx.

Emmanuel Carlier

Thank you.

Guillaume Boutin

On VOO, how do we prepare? So honestly we are really focusing on our own strategy. I think that we are trying to do the right things both in terms of portfolio, both in terms of brands and of course in our investment that we do in our networks. So we are really focusing on our own execution and we've seen that quarter that is starting to pay off, so I think we should really continue to focus on our own strategy, own execution and I think this is the best way to prepare for a change of ownership at VOO. At the same time, it's – Benelux is a small market, so of course when doing and executing our strategy, we have all this in mind, all competition is important for us.

But really at the moment we are focusing on growing the consumer business, transforming the enterprise business and investing massively in our network to continue to have that network priority on the long run because we are truly convinced that this is one of the key lever for us to continue to grow and to thrive on this market.

Jim Castele

And then on the third question linked to the broadband. Are you hearing me?

Emmanuel Carlier

Yeah.

Jim Castele

Linked to the broadband net adds, so indeed we are very satisfied with our commercial performance on internet in the third quarter. And based on, of course, the available market information because not all the competitors are disclosing their numbers so it's not easy to have a full view on the market evolution of a market that is in a mature environment. But based on the way we see the dynamics for the moment, we are convinced that we have our fair share in the growth of the internet market for the third quarter with the results that we have posted now.

Emmanuel Carlier

Thank you.

Guillaume Boutin

And probably more of our fair share in terms of TV subscriptions.

Emmanuel Carlier

Thank you.

Operator

Thank you. Next question from Paul Sidney from Credit Suisse. Please go ahead.

Paul Sidney

Yeah. Thank you very much, and good afternoon, everyone. I had a couple of questions please. I was really interested to read your comments Guillaume on Proximus moving to establish distant working as the norm even after COVID-19. And there are sort of two parts to my question. Presumably is that what you think the majority of Belgium enterprise customers are also thinking?

And secondly, is there an opportunity for you to save some pretty material OpEx and CapEx if you need substantially less of a space going forward? And then my second question is you mentioned that the BIPT draft decision on fibre wholesale pricing is very supportive which I certainly agree with. But which operators would you expect to be willing to sell your fibre products? Is it just Orange and the cable operators, or are there others we should be thinking about and are you in discussions currently with these potential resellers? Thank you very much.

Guillaume Boutin

So on the first question moving to – the conviction and the think thought process of enterprises in Belgium regarding distance working and tele-working. I think we are probably little bit leading the pack in terms of the reflection. You have also to know that we have announced two weeks ago that we have concluded a new collective agreement where we are moving from two to three days of home working for large amount of our teams because we are convinced that those ways of working are not detrimental to our ability to execute our plans and to deliver a lot of great results. And I think that it's no way you can think about coming back to a pre-COVID situation. I mean, next year when the – hopefully the COVID situation will have improved.

So we are taking that opportunity to fully rethink, reset the way we are looking at the ways of working. Also the culture element of our organisation. But also of course the building because we need to reinvent our buildings and the way mobility is organised within the organisation with more local hubs, more smaller places where you can work and share and meet with your colleagues closer to your home.

I think that's quite important. Also in the context of CO2 emissions, I think this is also in a way to improve the level of emissions we want to produce. We don't want to produce CO2 emission. We want to reduce the impact of CO2 emission but that focus we have.

And last but not least, it's also a way to fully – really reduce the cost of ownership of our current buildings and that obviously part of that discussion. And I think that we are combining better ways of working for employees, a better impact on the environment and better financials at the same time. So I think it's a great and exciting project to reinvent the way we work and is good to lead the pack because I think we will not be the only one to think like that in the coming months, but we are really now engaging in the process to – which hopefully it's going to be a long process. It's going to be at least two to three year project to get to our new ways of working and new buildings and new set up of regional hubs amongst Belgium.

On the fibre and the fibre initiative at Proximus, I think what is quite important for us is to be able to rollout that fibre network as fast as possible and to be able to reach as many homes as possible the fastest way and that's why we are really accelerating our own development in dense areas, that's one. And now we are four digits deep in terms of homes passed since last week. So we are really ramping up the ability to rollout fibre quite intensively, that's one.

Second, if you want to further accelerate now, you need to partner because Belgium is a very specific country in terms of cost also to rollout fibre in less dense areas. This is why we have signed that agreement with Eurofiber and we have a good discussions with another agreement in the north for 1.5 million of plugs and here we are convinced again that at some point a lot of players might be interested to join our network. And you have not limiting my reflection at only Orange. I think this could be more than Orange, that's for sure.

And last we have already said that we were also in discussion with Orange to see how they could join those initiatives at some point.

Paul Sidney

That's perfect. Thank you very much for your comments.

Operator

Thank you. Next question from Ruben Devos from KBC Securities. Please go ahead.

Ruben Devos

Yes. Good afternoon. Just to follow-up on the previous question with respect to fibre because you're progressing well. Now passing more than 400,000 homes and businesses. Also wondering with the rate of fibre deployment increasing, whether you could sort of give an indication of how many you aim to reach next year and what that could mean for the overall CapEx envelope? That's first question. And the second one actually relates to the mobile network sharing agreement. It's been a while since we've had an update on that end. So I think we – the competition authorities gave their advice a while ago. I was wondering what your

thoughts are at this stage from a legal standpoint? Is there a risk in your view that you would need to award concessions of any kind? I believe in Italy or a similar JV construction between operators, we've seen that cooperation is not allowed in cities with a population over 100,000 people. So just curious to hear your take on this. Thank you very much.

Guillaume Boutin

Yeah. On the first question, we will not disclose today the level of acceleration that we want to achieve next year in terms of fibre products. I think what we said is that we will do an fibre update to you when we will have closed our deals. So we need now to have the approval of competent authorities. And after that, we'll come back to you with a full fibre update, so that you can really understand all the details around our fibre rollout. And of course the fibre – ambition for next year will be part of this update. What I can say though is that in any case it will be within the envelope, CapEx envelope that we have shared with you during the Capital Markets Day.

On the mobile, I will – network sharing agreement, I will give the word to Dirk.

Dirk Lybaert

Yes. So we're in the phase of receiving questions from the Belgian competition authority asking those questions for the moment. We don't have a discussion on potential remedy. So we are not there yet. We're really in a preliminary phase where the competition authority tries to understand the full extent of the deal.

Ruben Devos

Okay. Thank you. And I'll just to come back quickly on fibre. Anything more you could share there in terms of your passing 400,000 homes. What is the sort of activation rates? The ARPUs, churn that you're seeing versus the homes on the legacy network?

Guillaume Boutin

As I said, all those details will be shared with you when we do the updates but it's going well.

Ruben Devos

Right. Fair enough.

Operator

Thank you. Next question from Ulrich Rathe from Jefferies. Please go ahead.

Ulrich Rathe

Thank you. It's Ulrich Rathe from Jefferies. So I have three questions, please. The first one is on the quad-play versus triple-play intake. Looks like the quad-play was quite markedly negative and the triple-play intake was markedly strong. So what causes that mix shift in the short of bundle intake? Second question is the guidance seems to imply a reasonably soft fourth quarter. Obviously, you've not giving specific EBITDA and CapEx guidance, but just sticking in reasonable numbers, so just looks as if EBITDA could be quite soft in the quarter. So I was just wondering what headwinds do you see for the fourth quarter in EBITDA? And my last question is if you – I mean, there are different scenarios here on fibre and it seems a bit like a bit of a race for all operators to sort of caught it up a bit. But if there is a scenario where Flanders, you would see Telenet & Fluvius & Orange Belgium to sort of rollout in the combined vehicle. Would that trigger you in sort of going into a race, or would you say on investor scenario the returns for fibre for Orange – for Proximus would be just too low and you'd probably have to take a step back? I'm just trying to understand what's your preferred approach to this competitor project are related to sort of getting to the licensee or wins or sort of seamless scenario where you just try to take a step back in particular regions? Thank you.

Jim Castele

So on the first question on quad-play versus triple-play. So indeed, structurally we see a declining appetite for fixed voice in the consumer segment. If you look at our new Flex offer, we actually anticipate on that evolution by moving from a product approach to an experience story. And Flex today for instance or second tier is not about the fixed voice only. It's also about having a better Wi-Fi experience at home. It's also about bringing the first digital tools to be able to manage your family life in a better way. And we believe that this is the way forward to continue to have a relevant story around the current fixed voice as we know it today.

As we see this growing pressure, of course, this has done an impact on the quad-play customer base as you have seen it in the results of the third quarter. This trend we expect will indeed continue. As I said, we try to move now to experience and create

additional value around the fixed line to reverse that trend. Now it is important to note is that the way we look at our ARPC today, we still see a growing ARPC over – with 1.3% despite for instance also the impact we have seen on COVID.

Katleen Vandeweyer

As to your second question, we have seen as of end of September €66 million of savings. And out of the €66 million, there are €40 million structural savings, thanks to the FFP programme as well as efficiency savings. The rest of them being supported by COVID as well as one-offs.

Now this being said, going forward for Q4, we will, of course, still have those structural cost benefits, but they will be offset by some cost increases. And then we think that the media costs they have been quite low so far. And we think that the production cost for the Proximus media house will go up in Q4. Then as well we will have extra customer connections linked to the commercial success and this will generate some extra costs, and in Q4, typically this is a quarter where we have HR-related provisions.

Guillaume Boutin

And on the third question, today it's not that easy to read what will really be happening in Flanders based on what has been publicly stated by the different players of the north of the country. So we really have to focus on our own strategy. And our own strategy is to accelerate the rollout of fibre in Flanders. This is why also we have that discussions with one partner to accelerate and to create the vehicle to rollout €1.5 million of plugs in the north of the country.

So at the same time, of course, we will behave rationally. I think that the other players of Flanders will also behave rationally because we are rational market in Belgium. That said, our ambition is to cover Flanders as fast as possible, as already stated several times. So we will really accelerate and focus on our own rollout and own execution for the years to come.

Ulrich Rathe

Thank you very much.

Operator

Thank you. Next question from Michael Bishop from Goldman Sachs. Please go ahead.

Michael Bishop

Yes. Thanks. And good afternoon. Just two questions for me. One is just picking up on this usage points you're making in relation to COVID. Quite a lot of other European operators are obviously observing much higher usage, but generally saying that that's difficult to monetise because most people are in bundles and therefore effectively not paying for metered usage. Do you think there's something structurally sort of very different in Belgium? So you're seeing a slightly bigger benefits from usage. And just sort of second part of that question. As you think and you see customer behaviour going forward, do you see people trying to sort of optimise into bundles and how does that potentially impact your financials? Is that a positive or a negative? And then my second question is just picking up on the enterprise trends? They were quite solid in the quarter. I think 4Q is a bit of a tougher comparison, but could you just give us your latest thoughts on enterprise as we go into next year, given you're quite cautious on enterprise more broadly at the Capital Markets Day? Thanks.

Jim Castele

Good afternoon. So on the first question linked to usage. So indeed, we have seen also, like the other European countries, an increase in usage of our products. Some of them we are able to monetise, others are indeed more difficult to monetise because they are part of a bundle. And also for us it's not yet clear to what extent this changing behaviour is going to be structured because we are now all more confined into our homes, which typically can lead to more usage of home-related connectivity. And it's not straight forward to see to what extent this is going to continue once we are hopefully as soon as possible have the COVID crisis behind us.

On the second question linked to people optimising their bundles, I think the good news for Proximus is that we just launched our new Flex family offer, which is a very good moment to indeed have a conversation with our customers and explain the value of the different offers that we have. So we're quite confident that we have the right solutions to have the conversation. As you know, we also have a two brand strategy, which also helps us going forward.

Anne-Sophie Lotgering

Hello. This is Anne-Sophie Lotgering. So good afternoon, Mr Bishop. To answer your question on enterprise, indeed, the results were solid for Q3 mainly driven by the fact that ICT revenues were growing organically this quarter but also because we saw a lower decline in our fixed voice and fixed data services revenues.

In terms of our projection for Q4, I would say that looking at the market evolution and looking at the potential lockdowns that could happen, this will have an impact on our one-stop projects. And therefore, we don't anticipate a similar surge in revenues that we might have had in previous quarters in this Q4 2020.

Operator

Thank you. It looks like we don't have any more questions for the moment. Ladies and gentlemen, if you wish to ask another question, please press 01 on your telephone keypad. It's 0 and 1 on your telephone keypad. We have a new question from Matthijs Van Leijenhorst from Kepler Cheuvreux. Please go ahead.

Matthijs Van Leijenhorst

Just a quick one on BICS. You're currently in a sale process. Are you – what's your intention? Do you want to sell your entire stake or want to – do you want to keep a minority share? That's the question.

Guillaume Boutin

We are in the – as you said, we are in the sales process, so we don't want to comment on that process.

Matthijs Van Leijenhorst

Okay. So okay, thank you.

Operator

Thank you. We have a follow-up questions. First one from Nicolas Cote-Colisson from HSBC. Please go ahead.

Nicolas Cote-Colisson

Yeah. A question on BICS as well. But I think this one you may answer. Would the deal include TeleSign or TeleSign could be left aside from a contraction?

Guillaume Boutin

Again, Nicolas, there is a process ongoing. I will not give any comment on that process. But the initial discussion was on the BICS Group perimeter.

Nicolas Cote-Colisson

Okay. And if I may, would you be able to give at least a rough indication of the revenue achieved at TeleSign. We know it's growing very fast. Anything you could provide?

Guillaume Boutin

Sorry for that. We do not give any numbers on specific on TeleSign. Sorry, Nicolas.

Nicolas Cote-Colisson

No worries. Just trying. Thank you.

Operator

Thank you. Next follow-up question once again from Ulrich Rathe from Jefferies. Please go ahead.

Ulrich Rathe

Yeah. Thanks. I want just ask about e-Press. You mentioned that earlier as a driver of upside. Now the e-Press impact if you simply calculated stand-alone, it was probably quite material this year. So I have two questions regarding to that. The first one is, has there been any seasonality in this or has this essentially come on, on the first – beginning of the year and essentially this went through and it was just overshadowed in the trends in the first two quarters and now we're seeing it more, but was it all the time

or is there a reason why e-Press sort of unfolds there the seasonality in the support? The second question is, am I right to assume that this is simply a one-year effect and this uplift will then be there and annualise in 2021? And how do you think about, vis-à-vis top line trends and the EBITDA trends and the impact in 2021? Thank you.

Katleen Vandeweyer

So as for e-Press, like we already announced, e-Press will generate a couple of euros per customer but not all customers have access to e-Press. So about 40% of our customer base has access to e-Press. So this generated revenues as of Q4 last year. And for this year we have no seasonality. And as for next year, I think you're right, this will annualise in '21 except if we have an increase in the uptake in the number of customers.

Ulrich Rathe

That's perfect. Thank you very much.

Operator

Thank you. We have another follow-up from Matthijs Van Leijenhorst from Kepler Cheuvreux. Please go ahead.

Matthijs Van Leijenhorst

Yeah. Good afternoon, again. It's regarding your dividend. At the time of your Capital Markets Day, you announced that you will use part of your balance sheet in order to finance the dividend and you also will sell some assets. Given the current context with COVID-19, are you still confident that you are able to get the estimated proceeds from selling certain assets or are you looking for alternatives? That's my question.

Guillaume Boutin

We are fully confident that we can reach our objective in terms of the proceeds from asset disposal.

Katleen Vandeweyer

And we don't need neither of the proceeds of those assets and disposals right away. Like you said, we have a very strong balance sheet. And so in first years we can very easily finance the fibre rollout by raising debt. So we're not impacted right away by the COVID crisis.

Matthijs Van Leijenhorst

Okay. Can you remind me if we discussed long-term, how much you plan to raise through selling assets? Rough estimate?

Katleen Vandeweyer

As announced at the Capital Markets Day, we are planning to raise cash by selling assets up to €700 million.

Matthijs Van Leijenhorst

And in which time period?

Katleen Vandeweyer

In the time period, that's over the – yeah, over the next years. We don't give any specific time periods.

Matthijs Van Leijenhorst

Okay. So what you're basically saying is that you are able to use your balance sheet without selling any assets, at least for the next three years? You will be able to keep the dividend safe, right?

Katleen Vandeweyer

Yes.

Matthijs Van Leijenhorst

Okay. Thank you.

Operator

Thank you. And last follow-up for the moment from David Vagman from ING. Please go ahead. Mr David Vagman, your microphone is open.

David Vagman

Sorry, I was on mute. Sorry. Can you come back on the evolution of the ARPU in consumer, so in fixed? And especially on TV revenues, did you see an increase in TVOD. So an increase in contribution of TV pack, etc.? What has been driving basically the growth in the ARPU in Q3? Thank you.

Jim Castelee

So the ARPU on fixed is growing year-over-year of course with the contribution of e-Press. You also have a lot of accounting mechanisms that drive the ARPU evolution of the different products, specifically zooming into the TV part, VOD actually is more challenging over the last months than it used to be because as you know, a lot of movies has been postponed, which means that the really premium VOD is currently not arriving or at least on most of those are not arriving on the platforms of Proximus and other operators. So we see actually a challenging trend on VOD for the moment that we hope to pick up and that as soon as possible Hollywood can start reproducing their hit movies, so that not only the cinema theatres but also our VOD business can grow again.

David Vagman

And on the TV – let's say on the data consumption, is there any, let's say, consumer actually upgrading or asking for higher data pack on the fixed side I'm talking?

Jim Castelee

On the fixed line, we actually have a very simple offer with two products. And luckily for us, the majority of our customers are already on that high-end product, which is giving unlimited data. So there's no real upside from data consumption. Of course, the moment that we go to fibre the story changes again. As you might have seen and on Flex fibre offer, we are able to introduce new elements of value tiering where we can start reusing speed for instance as an additional element to create value on the fixed internet site.

David Vagman

Okay. Thank you.

Operator

Thank you. We don't have any more questions, so back to you for the conclusion.

Nancy Goossens

Thank you. Thank you all for your participation. Should you have follow-up questions, you can contact the Investor Relations team. Wish you all a great weekend. Bye.

Operator

Thank you. Ladies and gentlemen, this concludes today's conference call. Thank you all for your participation. You may now disconnect your lines.