Who we are...

Proximus is a telecommunications company operating in the Belgian and international markets. We are the leading national provider of telephony, internet, television and network-based ICT services.

Our high-quality interconnected fixed and mobile networks offer access anywhere and anytime to digital services and data, as well as to a broad offering of multimedia content.

We are investing in future-proof networks and innovative solutions, creating the foundations for sustainable growth.

We put the customer at the heart of everything we do. Our aim is to deliver the best customer experience and to simplify the customer journey by offering accessible and easy to use solutions.

We contribute to the economic, social and environmental development of the society in which we operate.
Proximus Group: an established company with long history

1998
LIBERALISATION
BELGIAN TELCO
MARKET
LAUNCH of ADSL

2002
MOBILE INTERNET
Proximus first mobile operator
offering Internet access via GPRS.

2003
IPO
Belgacom on Euronext stock market at €24.5, biggest IPO in Europe since 2001 and biggest IPO ever in Brussels.

2004
FIRST TO OFFER
DIGITAL TV &
3G SERVICES
Belgacom TV, the first Digital TV offer on the Belgian market. Proximus first mobile operator in Belgium to offer 3G services to the general public.

2005
START OF FTTC
ROLL OUT

2006
ACQUISITION TELINDUS
Belgacom acquires Telindus, a group of companies offering network-based ICT solutions, catering to the needs of professionals and the public sector.

2007
100% MOBILE OWNERSHIP
Belgacom acquires the remaining 25% stake in Proximus from Vodafone, enabling a full fixed-mobile convergence strategy.

2008
2010
ACQUISITION SCARLET & TANGO
Belgacom launches commercial services on the VDSL2 network, acquires Scarlet NV to penetrate the low-cost market segment. Belgacom acquires Tango, the leading alternative operator active in Luxembourg and Liechtenstein.

2009
FON PARTNERSHIP
Belgacom signs a partnership with FON, the largest Wi-Fi community in the world.

2011
ACQUISITION OF SMALL-SIZED HIGHLY SPECIALIZED IT COMPANIES
Proximus Group subsidiary BICS completes the acquisition of TeleSign in Nov.17

2012
TV EVERYWHERE
Watch Belgacom TV on any device (tv, pc, tablet, smartphone) via Wi-Fi and 3G.

2013
4G LAUNCH
Launch of the first 4G network in Belgium and Tango in Luxembourg.

2014
NEW CEO FIT FOR GROWTH STRATEGY
Dominique Leroy appointed as CEO for a six-year term.

2015
CHANGE TO PROXIMUS
Company name change from Belgacom to Proximus, effective as of 22 June 2015, shares listed under ticker “PROX”.

2016
LAUNCH 4.5G
Proximus first operator to launch 4.5G in Belgium

2017
FIBER FOR BELGIUM
Announcement end-2016 (FTTH & FTTBus)

2018
ACQUISITION
PROXIMUS
Company name change from Belgacom to Proximus, effective as of 22 June 2015, shares listed under ticker “PROX”.

BELGACOM IPO
Proximus first mobile operator to offer Digital TV & 3G services

BELGACOM TV
Belgacom TV, the first Digital TV offer on the Belgian market.
Shareholder structure

The voting rights of the treasury shares are suspended by law. The dividend rights of the treasury shares acquired in 2004 are also suspended, whereas the dividend rights for shares acquired as from 2005 are cancelled.

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%.

<table>
<thead>
<tr>
<th></th>
<th>Number of shares</th>
<th>% shares</th>
<th>% Voting rights</th>
<th>% Dividend rights</th>
<th>Number of shares with voting rights</th>
<th>Number of shares with dividend rights</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgian state</td>
<td>180,887,569</td>
<td>53.51%</td>
<td>56.05%</td>
<td>55.91%</td>
<td>180,887,569</td>
<td>180,887,569</td>
</tr>
<tr>
<td>Proximus own shares</td>
<td>15,321,318</td>
<td>4.53%</td>
<td></td>
<td>0.25%</td>
<td>820,036</td>
<td></td>
</tr>
<tr>
<td>Free-float</td>
<td>141,816,248</td>
<td>41.95%</td>
<td>43.95%</td>
<td>43.83%</td>
<td>141,816,248</td>
<td>141,816,248</td>
</tr>
<tr>
<td>Total</td>
<td>338,025,135</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>322,703,817</td>
<td>323,523,853</td>
</tr>
</tbody>
</table>

Market Capitalisation* ~€ 8Bn
Dividend yield* ~ 6%
Our governance model

Board of Directors

We are currently a public limited liability company under Belgian public law. For matters not otherwise explicitly regulated, Proximus is governed by the Belgian corporate law and the 2009 Belgian Corporate Governance Code.

The Board of Directors defines the company’s general policy and strategy, supervises operational management and ensures compliance with best practices.

Other advisory committees have also been developed to advise and assist the Board of Directors.

(1) Appointed by the State
(2) Independent
AGM: Annual General Meeting of shareholders
Maintains solid position in Telco market.
Market leader for fixed as well as mobile.
Strong ICT offer supported by partnerships & acquisitions (e.g. Telindus, Codit...).
One of challengers on fragmented IT market.
N°1 M2M player

Proximus is market leader on the Belgian enterprise telecom market.
Main telecom competitors: Telenet, Orange, WIN
Niche players International players:

Main challenger on the mobile enterprise market.
International M2M Competence Center of the Group is hosted by Orange Belgium.
Higher competitive pressure since take-over of Base by Telenet.

Telenet high focus on Flanders, but national coverage via multiple access technology and partnerships.
Reinforcing its position thanks to take-over of IT integrator Nextel and cable operator SFR.
Mainly operating in the SME market

WIN is sister of VOO ; the ICT B2B branch of Group Nethys. Focus on Wallonia & Brussels.
VOO is mainly focusing on smaller enterprises, WIN on higher segment and very solid position in Public sector.
Own network and Wallonia Data Center. Regional coverage, national coverage via partners.
Our complementary brands meet the demands of a wide range of customers

**Proximus**
Best quality and service with a full choice of features – bringing consumers and businesses instantly close to what matters.

**Scarlet**
No frills offering for customers looking for the best prices.

**Telindus**
Specialised in ICT, delivering access, connectivity and data center solutions combined with managed services and multi-vendor support.

**Tango**
The Proximus Group telecom operator in Luxembourg, offering fixed, mobile and convergent services.

**BICS**
Best-in-class international wholesale solutions for voice and mobile data service providers. Expertise in Security and CPAAS solutions.

**Dual-brand strategy in Belgium**
**Belgium**
**Netherlands**
**Luxembourg**

**Proximus Luxembourg**

**Global**
Proximus Group key figures (FY’2018)

€ 5,804M
Group Underlying Revenue
77% Domestic
23% BICS

€1,866M
Group Underlying EBITDA
92% Domestic
8% BICS

€ 1,019M
Capex
Increasing amount allocated to fibre roll-out

€ 501M
Normalized Free Cash Flow
€ 451M excl. acquisitions

€ 1.5
Gross dividend per share
For Domestic operations, we maintained a stable revenue in 2018, with a solid 1.9% domestic EBITDA growth

(underlying, M€)

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic Revenue</th>
<th>Domestic EBITDA &amp; EBITDA margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>4,379</td>
<td>1,573</td>
</tr>
<tr>
<td>2016</td>
<td>4,410</td>
<td>1,647</td>
</tr>
<tr>
<td>2017</td>
<td>4,458</td>
<td>1,680</td>
</tr>
<tr>
<td>2018</td>
<td>4,458</td>
<td>1,713</td>
</tr>
</tbody>
</table>

Lower Mobile Terminals sales and inbound revenue impacting trend, though having minor margin effect

YoY evolution per product group

- Fixed Data/Internet: +29
- ICT: +24
- TV: +14
- Mobile Postpaid: +9
- Subsidiaries (Tango): +5
- Advanced Business Services: +2
- Mobile Terminals: -2
- Other products: -4
- Fixed Terminals: -5
- Wholesale: -6
- Mobile Prepaid: -24
- Fixed Voice: -44

+2.5pp EBITDA margin 2015-2018

FY’17: 4,458

FY’18: 4,458
BICS, operating in International Carrier market, faces ongoing transition with usage moving from Voice to Data

Successful TeleSign integration
✓ A2P volumes $3x$ vs 2016
✓ CoGS synergies

Low Capex, High Cash Conversion

<table>
<thead>
<tr>
<th>Year</th>
<th>BICS Segment Result</th>
<th>Contribution Margin (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>149</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>143</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>154</td>
<td></td>
</tr>
</tbody>
</table>

BICS segment result & contribution margin (%)

Aquisition
**TeleSign**
in November 2017

BICS segment result YoY

<table>
<thead>
<tr>
<th>FY17</th>
<th>Voice DM</th>
<th>Non-Voice DM</th>
<th>Expenses</th>
<th>FY18</th>
</tr>
</thead>
<tbody>
<tr>
<td>143</td>
<td>12</td>
<td>26</td>
<td>-27</td>
<td>154</td>
</tr>
</tbody>
</table>
€ 506M net income for FY18

- Underlying EBITDA variance: €43M
- D&A: €-20M
- Net Finance result: €-53M
- Tax expense: €7M
- Others: €14M

NET INCOME YTD'18: €506M

ETR: 26.8% vs 25.1% in YTD'17
Extensive investments in high-quality networks and improved IT systems to support overall customer experience

- **High-quality Mobile network**
  - 4G pop coverage:
    - outdoor 99.9%
    - indoor 99.5%
  - + Mobile sites to support traffic increase
  - + 4.5G deployment

- **TITAN Project**
  - Proactively strengthening our transport network
  - Backbone of all voice, data & TV traffic
  - Data capacity x10

- **Copper upgrade**
  - 95% FttC, 88% vectoring
  - >50% 100 Mbps
  - Av. VDSL speed - Mbps
  - Proximus customers:
    - Q4'17: 72
    - Q4'18: 76

- **Fiber build**
  - FttH & FttB

- **IT**
  - Renewed & simplified IT systems
    - a.o. new Mass Market IT chain encompassing sales to ordering to billing

**Capex (M€)**

<table>
<thead>
<tr>
<th></th>
<th>FY'16</th>
<th>FY'17</th>
<th>FY'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capex</td>
<td>949</td>
<td>1,092</td>
<td>1,019</td>
</tr>
</tbody>
</table>

2017 includes Jupiler League and Champions League football broadcasting rights.

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<td>1,019</td>
</tr>
</tbody>
</table>

2017 includes Jupiler League and Champions League football broadcasting rights.
2018 normalized FCF of €501M, €451M FCF including acquired ICT subsidiaries

<table>
<thead>
<tr>
<th></th>
<th>FCF FY'17</th>
<th>Acquisitions 2017</th>
<th>FCF FY'17 normalized</th>
<th>Underlying Ebitda</th>
<th>Income tax payments</th>
<th>Cash Capex</th>
<th>AP/AR/Inventory</th>
<th>Other</th>
<th>FCF FY'18 normalized</th>
<th>Acquisitions 2018</th>
<th>FCF FY'18</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>292</td>
<td></td>
<td>225</td>
<td>517</td>
<td>43</td>
<td>-22</td>
<td>-111</td>
<td>65</td>
<td>8</td>
<td>-51</td>
<td>451</td>
</tr>
</tbody>
</table>

Normalized 2017 excludes acquisition of TeleSign (including cost of transaction-related hedging instrument), Unbrace and Davinsi Labs
Normalized 2018 excludes acquisition of Codit, Umbrio, ION-IP and Mediamobile (acquired by Be-Mobile)
Sound financial position. Net debt at ~1.1X EBITDA

Net Debt (M€)

Net Debt DEC 2017 | FCF | Dividends | Dividends to non-controlling interests | Other | Net Debt DEC 2018
---|---|---|---|---|---
-2,088 | 451 | -485 | -28 | 2 | -2,148

Debt Maturity Schedule (M€)

<table>
<thead>
<tr>
<th>Year</th>
<th>Investment loans</th>
<th>Private placement</th>
<th>Institutional Eurobonds</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>231</td>
<td></td>
<td>400</td>
</tr>
<tr>
<td>2022</td>
<td>500</td>
<td></td>
<td>150</td>
</tr>
<tr>
<td>2023</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>500</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2026</td>
<td>11</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2027</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2028</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Credit ratings: Standard & Poor’s A, Moody’s A1, both stable outlook

Liquidity end Q4’18:
- €349M investments, cash & cash equivalents (incl. derivatives)
- EMTN Program €3,500m (€1,850m outstanding)
- Committed credit line (bilaterals/club/syndicate): €700m
- CP Program €1,000M (€231m outstanding)

5.6 Yrs
Average debt duration

1.78%
Weighted average coupon
We offer an attractive shareholder return

Proximus intends to pay a **stable dividend of EUR 1.50 per share** over the result of 2018 and 2019, in line with the announced 3-year commitment on 16 December 2016.

**General Shareholder return policy**

We offer an attractive shareholder remuneration policy by returning, in principle, most of our annual free cash flow. This return of free cash flow is reviewed on an annual basis in order to keep strategic financial flexibility for future growth.

The policy is based on a number of assumptions regarding future business and market evolution, and may be subject to change in the event of unforeseen risks or other factors beyond the company’s control.

**£ 1.5**

Total gross dividend per share

**~6%**

Dividend yield
An ambition, inspired by our sense of purpose

Creating an inclusive, safe, sustainable & prosperous digital Belgium

Commitment to the UN Sustainable Development Goals
An ambition inspired by our sense or purpose

Our company sense of purpose:
We open up a world of digital opportunities so people live better and work smarter

Our societal impact ambition:
Creating an inclusive, safe, sustainable and prosperous digital Belgium

Enabling a better digital life
- Digital infrastructure
- Digital innovation
- Digital trust

Contributing to society
- Digital for all
- Belgian culture
- Societal engagement

Caring for our stakeholders
- Customers first
- Caring for employees
- Doing business right

Respecting our planet
- CO2 neutral
- Circular economy
- Sustainable supply

Caring for
our
stakeholders

Customers first
Caring for employees
Doing business right

CO2 neutral
Circular economy
Sustainable supply
We are committed to making a societal impact

Improving fixed and mobile connectivity in white zones
Supporting local innovation ecosystems
Building trust in digital as founding partner in coalition
Easy to find and understand privacy settings on App, TV and websites

Responsible marketing parental control on TV and smartphones
Upskilling effort from 3 to 6 days per employee per year in next 3 years
Hires or promotions in leadership team in 2018 are women
CSR clause in all contracts

Founding partner of Coding School 19
12,500 kids trained on safer internet use
1,000+ long-term sick kids connected to school
Sponsor of the Paralympic athletes

- CO2 neutral for own activities;
- CO2 reduction -75% vs 2007 -18% vs 2015
- 50% energy consumption of decoders in past 5 years
- 18,000 smartphones recycled in schools
Guidance 2019

### Guidance metrics

<table>
<thead>
<tr>
<th>Guidance metrics</th>
<th>Actuals FY 2018</th>
<th>Guidance FY 2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic underlying revenue</td>
<td>€4,460m</td>
<td>Nearly stable</td>
</tr>
<tr>
<td>Group underlying EBITDA</td>
<td>€1,865m</td>
<td>Stable</td>
</tr>
<tr>
<td>CAPEX</td>
<td>€1,019m</td>
<td>Stable</td>
</tr>
</tbody>
</table>

Note: 2019 and comparable base of 2018 are both under IFRS15. The underlying numbers exclude the incidental impacts and include lease depreciation and interest as from 2019, neutralizing the IFRS16 impact. Acquisitions of Rights of Use in application of IFRS 16 will not be part of Capex.

### 2019 Expectations

- Nearly stable Domestic revenue in competitive market
- Slight EBITDA growth for our Domestic operations
- Unfavorable EBITDA effect on BICS following renewal MTN commercial agreement*
- Regulatory measures to reduce the Domestic margin by € 20M
- Capex to be stable to the 2018 level

*Subject to MTN Board ratification
Domestic operations
Thanks to a good execution of our ‘Fit for Growth’ strategy, we kept a strong position in a more competitive domestic market

1. We adopted a multi-brand strategy and segmented the market.
2. We grew a valuable converged customer base in the Consumer segment and a strong market position, while keeping a sound pricing strategy.
3. We diversified our Enterprise portfolio from pure connectivity to digital transformation solutions.
4. We put high focus on bringing superior customer experience and closed the content gap.
5. We launched innovative solutions to secure future growth.
6. We further enhanced our high-quality networks and launched a future-proof fiber roll-out.
7. We transform, simplify and digitize to structurally reduce the cost base.

Realized Domestic EBITDA growth, in spite of regulatory and competitive pressure

Solid FCF, allowing for investments and attractive shareholder return, while maintaining a sound financial position
Successful market segmentation

- **Families**
- **Small Enterprises**
- **Millennials**
- **Price Seekers**
Increasingly convergent customer base in premium family segment

Tuttimus
The all-in of your choice

Tuttimus/Bizz All-in subscribers in '000

Jan’17 | Q4’17 | Q4’18
---|---|---
124 | 359 | 508

Driving growing 4P customer base

Solid increase in number of HH/SO taking 4 Plays (in 000’s)

<table>
<thead>
<tr>
<th>4P</th>
<th>3P</th>
<th>2P</th>
<th>1P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4’17</td>
<td>683</td>
<td>746</td>
<td>411</td>
</tr>
<tr>
<td>Q4’18</td>
<td>731</td>
<td>733</td>
<td>387</td>
</tr>
</tbody>
</table>

+7.0% +48k

Customer value + lifecycle
Supported by our dual-brand approach, we grew our Internet and TV customer bases while keeping a solid market position.

**Broadband Park**

- **Q4’18 vs Q4’17**
  - +43 K customers YoY
  - +2.2%

**Fixed Voice Park**

- **Q4’18 vs Q4’17**
  - -108K customers YoY
  - -4.1%

**TV Park**

- **Q4’18 vs Q4’17**
  - +50K customers YoY
  - +3.2%

- Market Share: 37.3%, +0.5 pp YoY
We gained Mobile postpaid customers in a competitive setting

+3.5% YoY end Q4’18

Market Shares %

- Total mobile
  - 39.3%
  - +0.4 pp YoY

- Postpaid
  - 42.4%
  - -0.6 pp YoY

Mobile Park (excl. M2M)
(in '000)

- Postpaid
  - 3,736 END'16
  - 3,882 END'17
  - 4,016 END'18
  +134,000 YoY i.e. +3.5%

- Prepaid
  - 1,181 END'16
  - 956 END'17
  - 822 END'18
  -134,000 YoY i.e. -14.0%

Smartphone Penetration

- 77%
  - +4 pp YoY

National Mobile Data usage (average/user/month)

- 2.2 GB
  - +56% YoY Blended
Over the past years, we diversified our portfolio to stay relevant for our Enterprise customers & protect our Telco business.

- **Revenue**
  - 2015: 1.2x
  - 2018: 1.6x

- **EBITDA**
  - 2015: +2.5ppt
  - 2018: EBITDA margin
We want to be the trusted partner in the digital transformation of enterprises

- Integrated business applications
- Advanced Workplace
- IoT
- Security
- Managed services
- Data Analytics
Our Enterprise segment maintains a strong position in Mobile, while containing the erosion of legacy services by bringing customers to future proof technologies.

- High-quality mobile network
- Provide best E2E experience
- Managed mobile services
- Simplified offers
- Developing mobile application integration competences

### Mobile voice cards (000’s)

<table>
<thead>
<tr>
<th></th>
<th>END’16</th>
<th>END’17</th>
<th>END’18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>939</td>
<td>988</td>
<td>1,028</td>
</tr>
</tbody>
</table>

+4.1% increase from END’16 to END’18

### M2M (000’s)

<table>
<thead>
<tr>
<th></th>
<th>END’16</th>
<th>END’17</th>
<th>END’18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,169</td>
<td>1,209</td>
<td>1,327</td>
</tr>
</tbody>
</table>

+9.7% increase from END’16 to END’18

### Fixed Voice lines (000’s)

<table>
<thead>
<tr>
<th></th>
<th>END’16</th>
<th>END’17</th>
<th>END’18</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>620</td>
<td>580</td>
<td>541</td>
</tr>
</tbody>
</table>

>25% of National Fixed Data revenue is based on Fiber connectivity

- Dynamically guide customers in their Voice & UC journey
- Convergent voice solutions
- Migrate customers to future proof Fix data solutions: VDSL and FIBER
- Improve customer experience
- Achieve network simplification
We put high focus on bringing a superior customer experience for consumers and enterprises.

- **Upgrading customers to latest technology**
- **Same Day Repair**
- **Extended hours contact centers & customer visits**
- **400 Bizz experts**
- **YouTube video tutorials**
- **Proximus Forum**
- **200,000+ Happy House Visits**
- **93% satisfaction**
- **1.5M MyProximus users**
- **Always on support**
  - 99.99% Service continuity for Small Enterprises
  - 24/7 Availability for business customers
  - 7/7 Technical support
We continued to enrich our content offer.

Studio 100 is moving to Proximus.
Launching innovative solutions to secure future growth

Security
Internet of Things
Data Analytics
Fiber

Fiber roll-out launched, and continuing
€ 3Bn investment over 10 years
We further enhanced our high-quality networks, delivering an excellent mobile experience while coping with boosting traffic.

**Coverage**
- 99.5%¹
  - 4G indoor coverage
- 92.4%¹
  - deep indoor

**Voice**
- Ultra HD Voice
- Fastest call set-up¹

**Video**
- Best video experience²

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1. CommSquare study, an independent company which compares the network performance of Proximus with other Belgian competitors (measurement campaign from 7/11 to 28/11/18)
2. OpenSignal analysis

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**Total Mobile internet traffic**
- av. annual growth of volumes (TB)

**Average per user**
- Mobile data consumption (GB/month)

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2.2 GB
- 2014
- 2015
- 2016
- 2017
- 2018

---

+70% yearly

---

+50% yearly
We continue with our FttH roll-out.

9 cities With Fiber roll-out launched

+7 new cities in 2019

Good acceleration to keep us on track with LT ambition

# FttH homes passed

Q117 Q217 Q317 Q417 Q118 Q218 Q318 Q418

In the mass market we will double our fiber footprint in 2019
Good dynamics in growing FttH coverage

+12ppt overall internet customer satisfaction vs copper & above competition

Higher ARPU on FttH customers

In brownfield 30% of activated FttH customers are new internet customers

Efficiencies leading to lower average cost per home connected, on track to reach €1,000/H

1st copper outphasing tested in 2018

In greenfield > 50% of activated FttH customers are new internet customers

✓ Market share

30% of activated FttH customers are new internet customers

Efficiencies leading to lower average cost per home connected, on track to reach €1,000/H

(cost incl. design, connection, active equipment, internal WF, termination cost...)

In brownfield 30% of activated FttH customers are new internet customers

✓ Market share

In greenfield > 50% of activated FttH customers are new internet customers

(figures based on footprint end 2018)
Fiberize vast majority of professional customers, while adopting a more cost-efficient deployment approach

**Focus on mono-sites**
- Less complex
- Improve market share in SE-ME market

**Complex COR multi-sites**
- New approach: more on-demand fiber deployment, leading to reduced pre-investment

**ARPU uplift**
for mono-site customers

- Good complementarity and low cannibalisation between pro-active Fiber GPON & on demand P2P

**GPON available for 48% of companies in industrial zonings**

- Growing share of national Fixed Data revenue based on Fiber connectivity
Transforming the company to further improve our customer experience while bringing some cost opportunities
Our ongoing company transformation has allowed us to reduce our costs

(underlying in M€)

FY'15 FY'16 FY'17 FY'18

OPEX excl. ICT Direct OPEX

ICT Direct Opex

2018 ICT acq. OPEX

€ -148M net OPEX since 2015 excl. ICT direct opex

ICT growth driving expenses up through ‘billable’ direct OPEX...

...reinforced by acquired ICT companies

€ -115M total net OPEX reduction since 2015
Over the past years, Proximus lowered its Domestic headcount

Early Leave Plan & natural retirements leading to ~2,750 FTEs to leave Proximus over 2016-2020

(=gross outflow - not including hiring to cover business needs)

Proximus SA age pyramid (excl. employees opting for Early leave plan & subsidiaries)

Domestic FTE

<table>
<thead>
<tr>
<th>Year</th>
<th>FTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>13,627</td>
</tr>
<tr>
<td>2016</td>
<td>13,095</td>
</tr>
<tr>
<td>2017</td>
<td>12,644</td>
</tr>
<tr>
<td>2018</td>
<td>12,658</td>
</tr>
<tr>
<td>2019</td>
<td>12,658</td>
</tr>
<tr>
<td>2020</td>
<td>12,658</td>
</tr>
</tbody>
</table>

On 1 Jan ‘19 and ’20, last people to leave in ELP

End Q4’18, civil servants @ 26% of Domestic headcount
Strategy 2019-2021: #ShiftToDigital
Becoming digital first in all we do

- Call center agents become digital coaches
- Full servicing digital journey on MyProximus
- We evolve to experience stores
- Seamless and digital experience for enterprises
- Hire and reskill workforce towards digital savvy employees
- We go for software defined network and telco cloud
Accelerating the company transformation with gross cost reduction ambition of €240M* over 2019/2020/2021

Enablers to reduce our workload & workforce (some examples)

- **Network simplification virtualisation**
  - Copper phase-out
  - Reduce buildings

- **IT simplification**
  - One single ordering, provisioning, billing & collection IT chain

- **Supply efficiencies**
  - Reduce cost / increase efficiencies

- **Call deflation**
  - My Proximus App
  - Digital assistant

- **External call centers**
  - Shift to more efficient work-models

- **Automation & digitisation**
  - Optimized omni-channel sales
  - e-Servicing

Invest in a sustainable future and cover for underlying cost inflation

- **Expected opex evolution by end-2021 (indicative graph)**
  - €240M gross opex savings
  - Inflation (wages & energy)
  - Volume
  - ICT growth (incl. M&A effect*)

*Level of cost saving pending union negotiations

* With full impact 2018 acquisitions as of 2019
International Carrier Services
Direct margin of BICS mainly driven by growing contribution of non-Voice DM

- **Non-Voice DM**
  - High Growth
  - High Synergies

- **Voice DM**
  - Traditional Voice eroding
  - TeleSign’s authentication services
  - High Cash-flow generation

**Inflection point, non-voice outweighing legacy voice**

**TeleSign consolidation**

**Total DM**

- Share of Non-Voice DM (2011): 46%
- Share of Non-Voice DM (2018): 57%

- **BICS DM**
- **Non-Voice DM**
- **Voice DM**
BICS benefiting from the boosting mobile data volumes...

Non-Voice revenue growing & Direct margin
(in €)

2016 | 2017 | 2018
---|---|---
REV | 154 | 156 | 182
DM | 292 | 317 | 408

8.6% | 1.3% | 9.6%
16.6% | 

Solid increase in non-Voice volumes
(in M messages)

10bn International SMS (P2P & A2P, 2018)

2016 | 2017 | 2018
---|---|---
A2P | 3,558 | 4,828 | 10,174

35.7% | 111% |
...while managing the decline in legacy Voice

Less favourable destination mix negatively impacted the revenue, though 2018 DM increased, benefitting from TeleSign’s authentication services.

High cash generator thanks to scale & operating leverage

BICS maintaining a top-10 world position in a Voice market under pressure
TeleSign, acquired in November 2017, contributes to all 3 growth dimensions for BICS.

1. **Customers**
   - Address new customer segments (MVNO, Internet companies, Enterprises)
   - TeleSign complementary customer base of >500 digital companies (mainly B2C), including 20 of the top 25 Internet brands

2. **Solutions**
   - Extend portfolio with new generation services
   - TeleSign expertise in authentication/security and in APIs

3. **Geographies**
   - Increase market shares in Asia and Americas
   - TeleSign strong presence in North America
Combination of BICS and TeleSign leads to first end-to-end CPaaS provider

TeleSign has the customers and the platforms

Platforms & Expertise

Using BICS’ Worldwide network...

...to reach directly >700 mobile operators worldwide and improve sourcing of:

- Direct SMS and Voice Terminations
- Mobile End-User Data
- Voice APIs (e.g. Anonymous calling)

BICS brings the mobile and worldwide reach
Cautionary Statement

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