



**bold
2025**

Proximus Group

Results presentation

Q4 & FY 2023

23 February 2024



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Chief Executive Officer

Cautionary statement

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Please consult proximus.com/investors for the overall disclosed information.

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Agenda

◀◀ Looking back

- Highlights **FY 2023**
- Financial & Operational **Q4/FY performance**
- Foundation year **bold2025**: key achievements

▶▶ Looking forward

Q&A



Looking back

Closing strong FY'23, both commercially & financially

Robust Domestic revenue growth driving improvement in EBITDA YoY trend

Excellent commercial trend continued



+**51K**

Internet subscriptions



+**145K**

Fiber activated retail lines



+**156K**

Postpaid cards



-**36K**

TV subscriptions



+**65K**

Convergent customers (residential)



+**5.6%**

ARPC, total YoY

Closing 2023 on a strong note financially

Group Revenue

6,042M€

+**2.2%**

Group Direct Margin

3,849M€

+**3.4%**

Domestic DM

+**3.6%**

TeleSign DM*

+**9.4%**

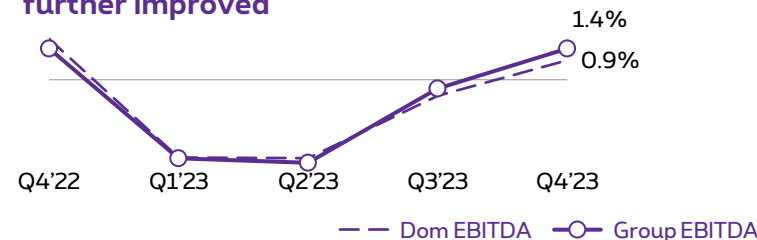
BICS DM*

+**2.8%**

1,757M€

FY'23 Group EBITDA

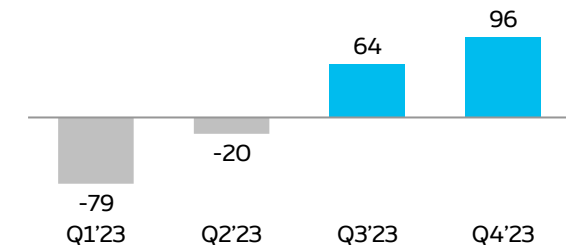
EBITDA YoY trend further improved



Beating revised FY23 guidance

- ✓ Domestic revenue +**4.2%**
- ✓ Domestic EBITDA -**1.7%**
- ✓ Group EBITDA -**1.6%**
- ✓ International DM* +**4.9%**
- ✓ Capex at **1,325M€**
- ✓ Net Debt /EBITDA (S&P def) **2.6x**

61M€ Adjusted FCF



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







* Growth at constant currency

Achievements



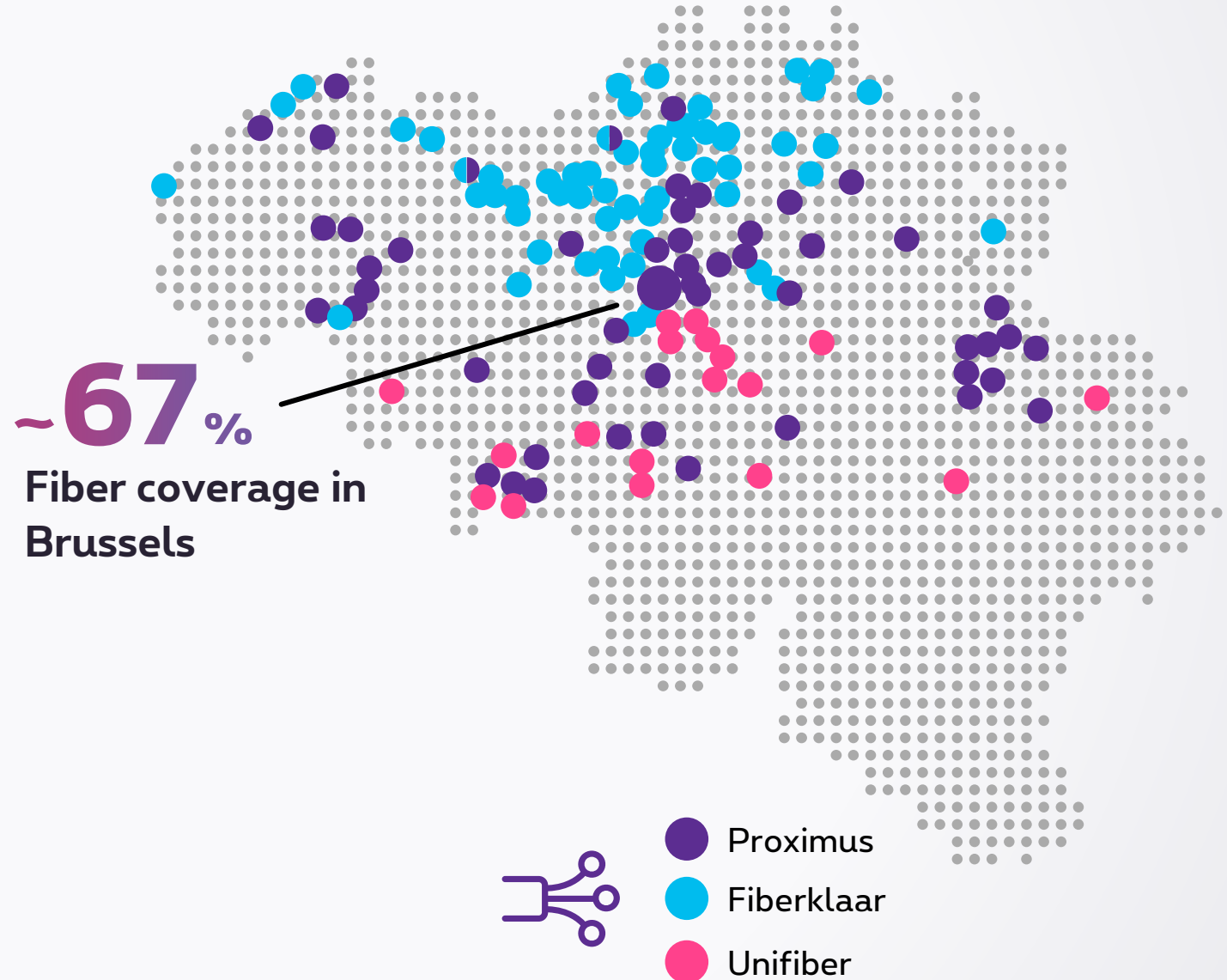
Closed the foundation year of bold2025 strategy

Strong progress towards our 2025 strategic goals

		2025 ambition (selection of key metrics)	Status YE2023
Through exceptional strengths	 Roll out #1 gigabit network for Belgium	<ul style="list-style-type: none"> • 100% 5G coverage • 50% FttH coverage • Connecting >1M Homes 	<ul style="list-style-type: none"> • 40% 5G coverage • 29% FttH coverage • 397k Active Fiber lines
	 Engineer technology assets to enable digital ecosystems	<ul style="list-style-type: none"> • 30% e-sales • 60% chatbot containment rate 	<ul style="list-style-type: none"> • 27% e-sales • 46% chatbot containment rate
	 Foster an engaging culture & empowering ways of working	<ul style="list-style-type: none"> • +75% employee engagement • 95% employees ≥ 5 training days/yr 	<ul style="list-style-type: none"> • 77% employee engagement • 63% of employees
We deliver great value for our stakeholders	 Act for an inclusive society & be sustainable & everything we do	<ul style="list-style-type: none"> • Truly circular by 2030 	<ul style="list-style-type: none"> • 128k mobile phones collected • 799k refurbished devices
	 Delight customers with unrivalled experience	<ul style="list-style-type: none"> • #1 Brand NPS across segments 	<ul style="list-style-type: none"> • FY NPS Mobile Vikings +42 • FY NPS Scarlet +17 • FY NPS Proximus RES convergent +11
	 Grow profitably locally & globally through strong brands	<ul style="list-style-type: none"> • Grow domestic revenue • >35% revenue IT by 2025 vs telco • Accelerate international EBITDA • 220M€ Cost efficiencies 	<ul style="list-style-type: none"> • +4.2% YoY Domestic revenue • 33% IT revenue (+2pp YoY) • BICS + Telesign EBITDA stable YoY at 121M€ • 95M€ cost efficiencies in 2023

Proximus and partners deploying Fiber in 147 cities

147 cities and municipalities
with Fiber works ongoing



Fiber cooperation agreement in Belgium

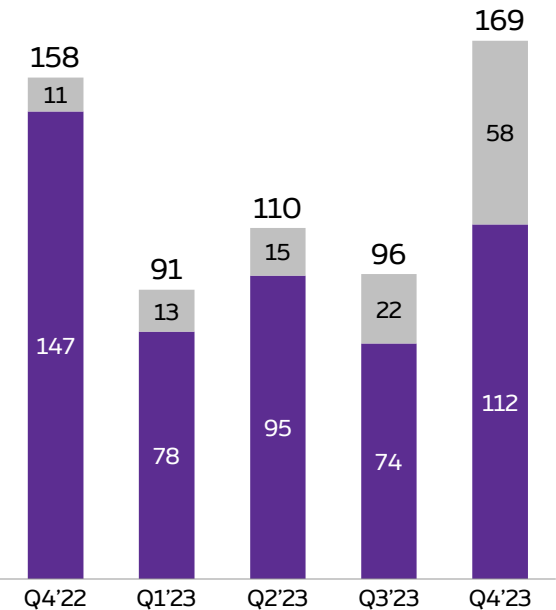
- ✓ BIPT confirmed it will assess any agreement between operators (communication 12 Oct'23)
- ✓ Discussions towards achieving a fiber cooperation agreement progressing well.

1.75M Fiber HP at end-2023, strong HP JVs' contribution in Q4

Fiber HP footprint of nearly 30%; and “Fiber in the street” reaching 34%

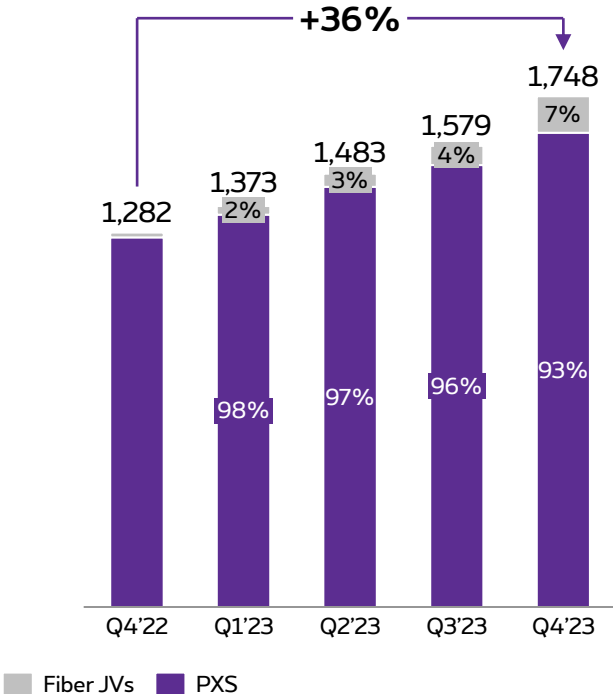
+169k Fiber Homes & Businesses Passed in Q4

(in K, additions in the period)



1,748k Fiber Homes & Businesses Passed end-2023

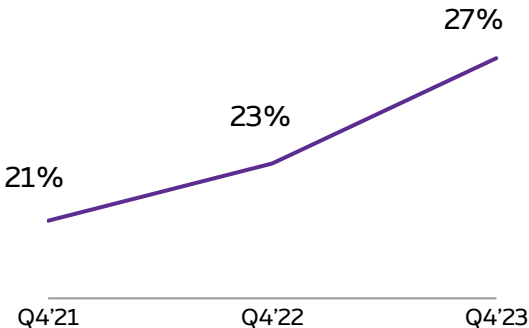
(in K, total base of premises)



34% Fiber in the street,

Incl. JV funnel of 300k LU, total Fiber in the street coverage of >2M premises.

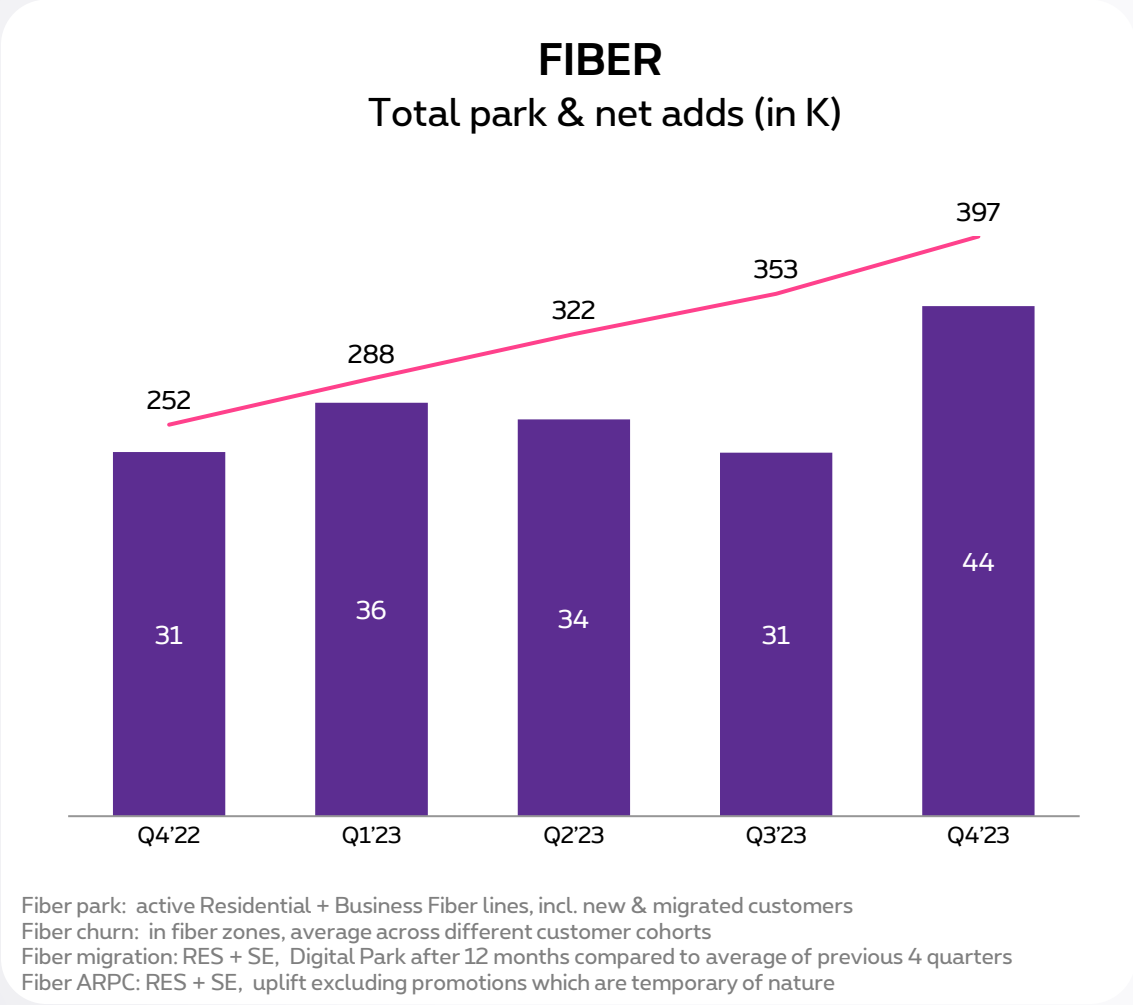
27% Network filling rate*



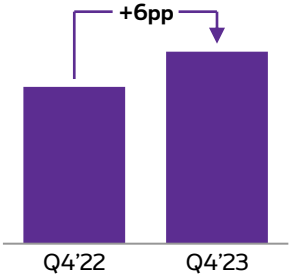
*Homes Activated / Total Homes Passed Ready for Termination for Proximus, Homes Connected for JVs

397k activated Fiber lines by end-2023

Strong customer demand for Fiber further accelerated in Q4



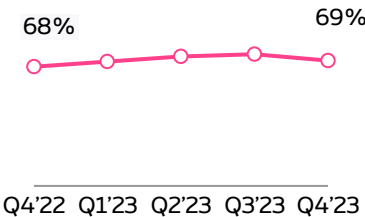
Increasing Fiber share
in total acquisitions



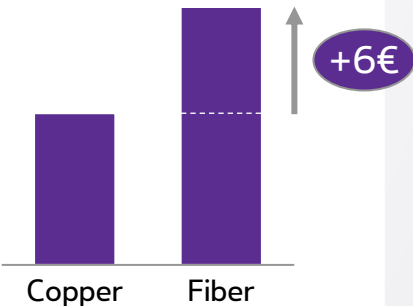
Lower churn
levels vs Copper

>30%

Maintaining **high**
migration rate



ARPC in €



5G coverage of >40% end-2023

General recognition for our mobile network quality

Network upgrade



- **>40% 5G indoor** coverage end 2023; 100% in the 2025-2026 timeframe
- **Core** network swap to Ericsson on track; completion end-2024
- **3G** shutdown Q1-2025

Best Mobile network



- Leveraging the **largest Belgian spectrum portfolio** to deliver the best possible experience.
- **1.5x** faster mobile download vs. competitors (Ookla)
- **Best** mobile coverage (BeCover+ Test Achats)

Network consolidation

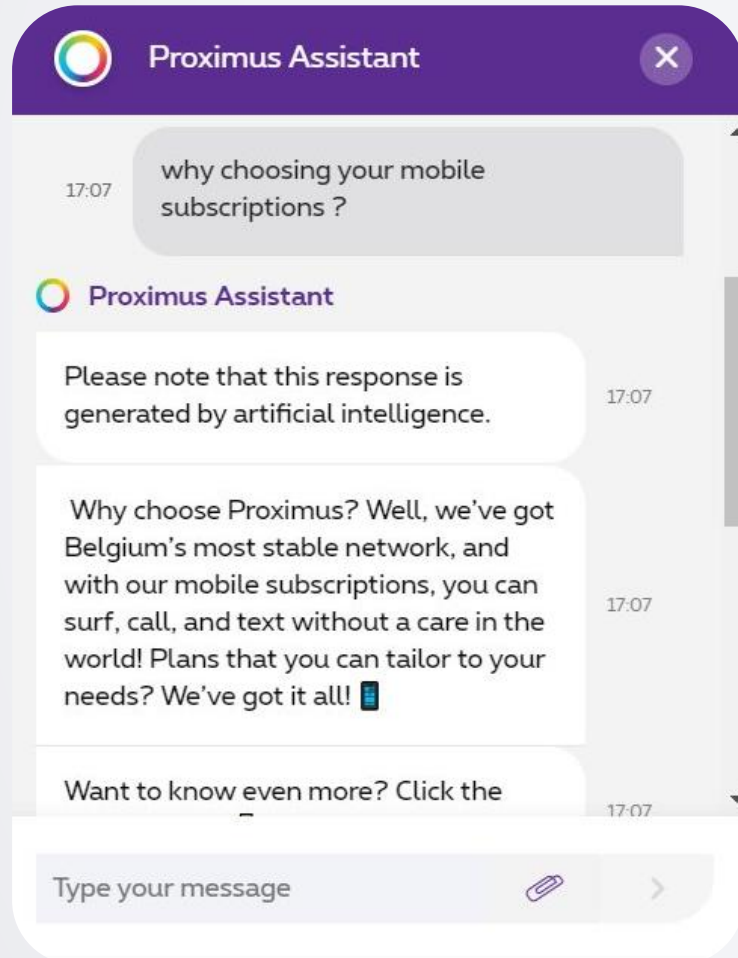


- **~50%** of active Proximus sites moved to Nokia
- **~ 2100** sites consolidated YE'23 majority remaining sites will be consolidated in 2024/2025
- Initial benefits showing, consolidated sites delivering **> 15%** decrease in power consumption on 2G/3G/4G

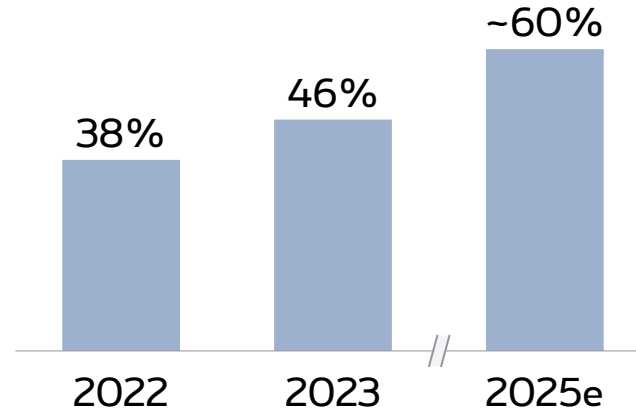
Company-wide AI initiatives launched

and will deliver double-digit million of cost efficiencies

Digitalizing CX



- Proximus assistant **powered by GenAI** launched in **January'24** to best tackle Proximus **customers' needs**
- **Chatbot containment rate leveraging AI**



Operational use cases



- **GitHub Copilot** licenses to 100% of Proximus developers by end 2024
- Deployment of **Microsoft Copilot** in Microsoft 365 environment to boost creativity
- **Optimizing our fiber roll-out** with AI, thanks to image recognition for deployment and maintenance

Route Mobile transaction progressing well

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

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**
- Confirming estimated $\geq 90\text{M€}$ run-rate **EBITDA synergy** potential between Telesign & Route Mobile

3-Year ambition*

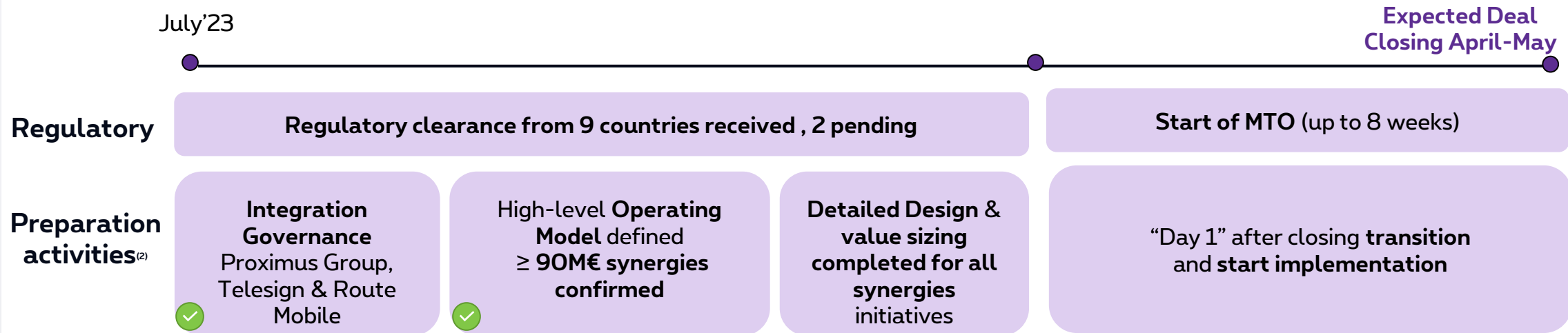


~2bn
Revenue, \$⁽¹⁾

13-15%
EBITDA Margin

50-75%
Cash conversion

* Estimation, 3 years post-closing, Proximus Opal incl. synergies



(1) With TeleSign & Route Mobile each having a 3 -year ambition of becoming a \$1bn revenue company

(2) Preparation activities conducted in respect of all regulatory constraints such as specific legal guardrails protecting against unauthorized exchanges of sensitive information

Q4 / FY

Performance



Domestic



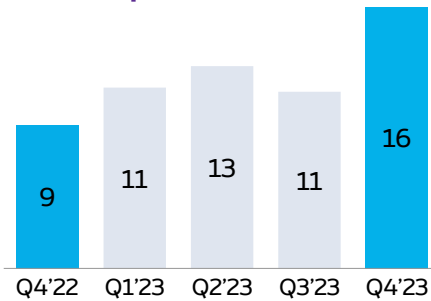
Sustaining an excellent commercial performance

resulting in market share gains across all products



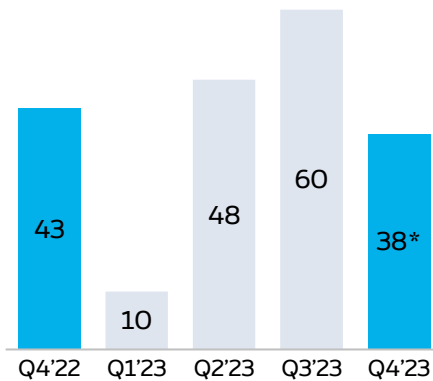
Internet base **2,267K**;
+51k YoY
+2.3% YoY

Net adds
Group ('000)

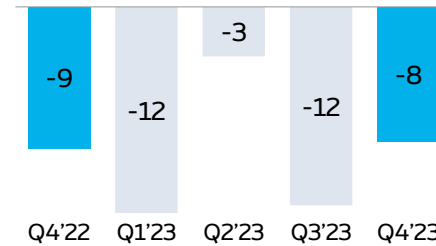


Postpaid

Postpaid base **4,973K**;
+ 156k YoY
+3.2% YoY



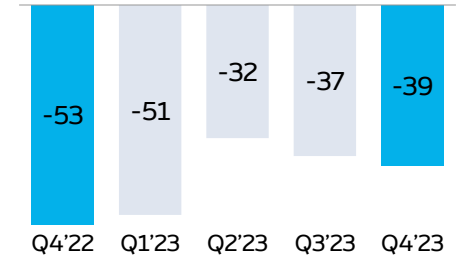
TV base **1,674K**;
- 36k YoY
-2.1% YoY



Mitigating cord
cutting effects and
Fixed voice erosion

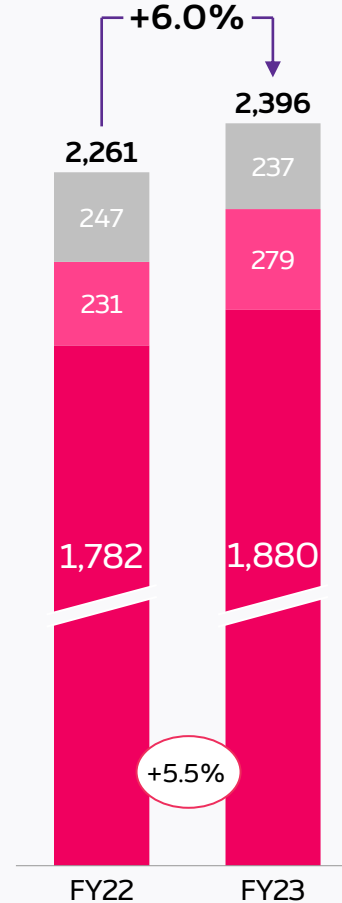
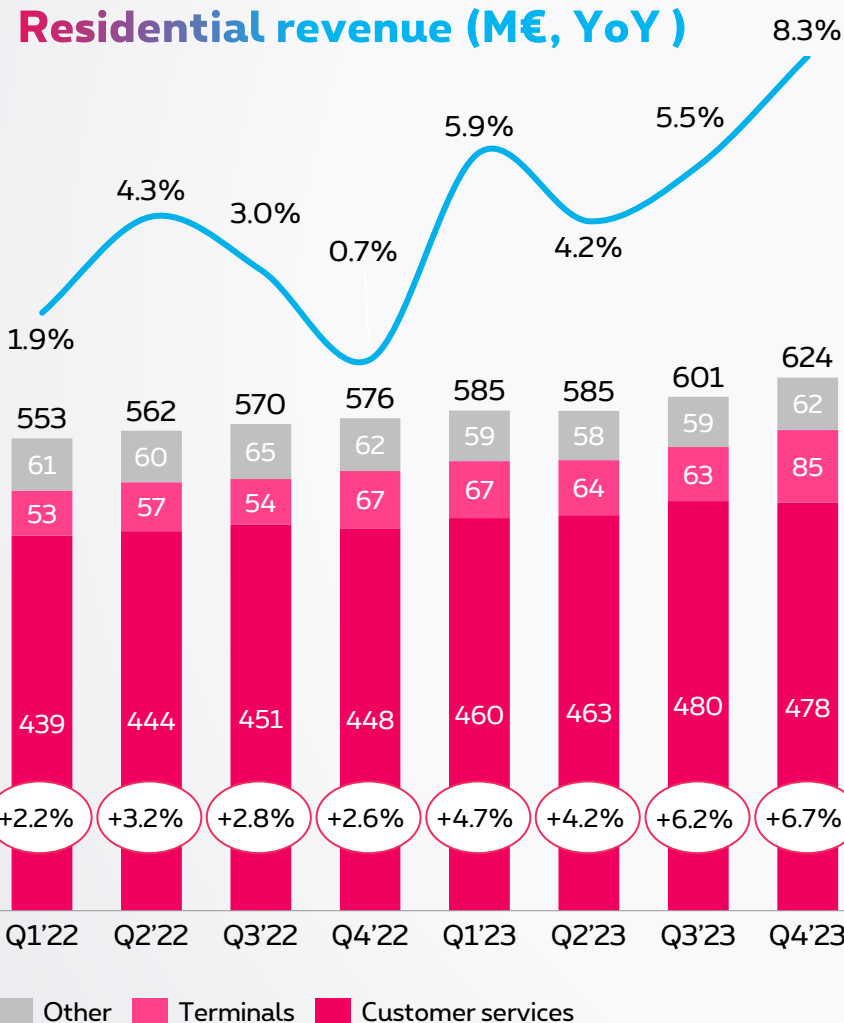


Fixed Voice **1,651K**;
-159k YoY
-8.8% YoY



Residential revenue Q4'23 up by +8.3% YoY

Services revenue growth improved to +6.7% YoY



Q4

- Customer Services revenue +6.7% YoY**
 - Strong Q4'23 customer growth
- Well managed price indexations, with churn level under control
- Terminals revenue +26.7% driven by high-end devices**

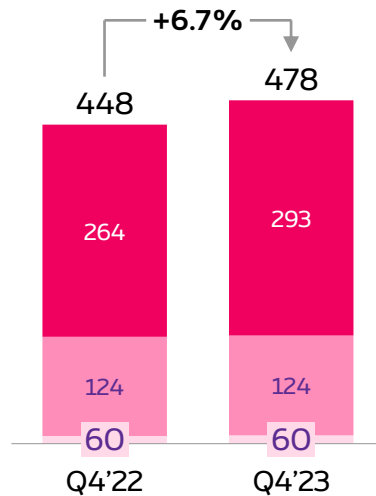
Growing Convergent base and higher ARPC

driving Residential customer services revenue increase

+6.7% Customer

services revenue (in M€)

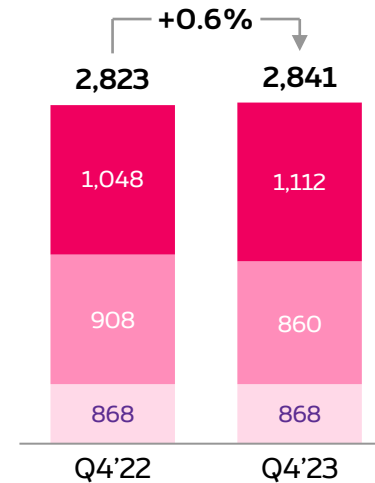
Incl. +10.7% Convergent revenue



Customers (in K)

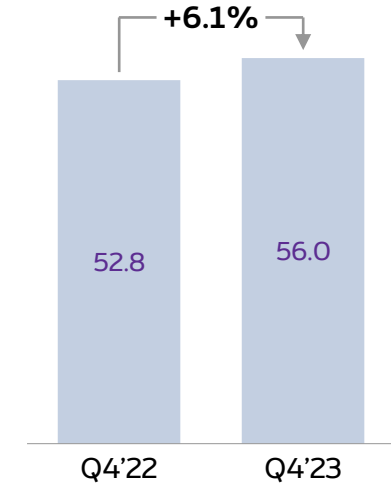
Growing **Convergent** base:

+6.2% YoY



+6.1% ARPC (overall, €)

Supported by price indexations ,
upsell to convergent offers and
Fiber



Convergent Fixed only Mobile postpaid only

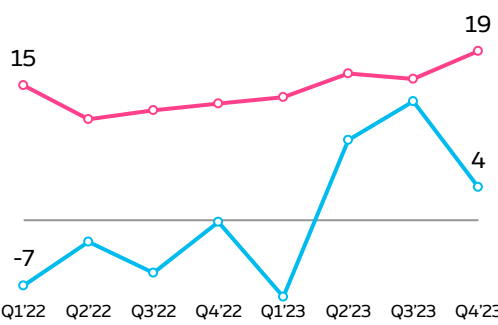
Successful value management supported by product superiority

Strong ARPC, managed churn and accelerated customer growth

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

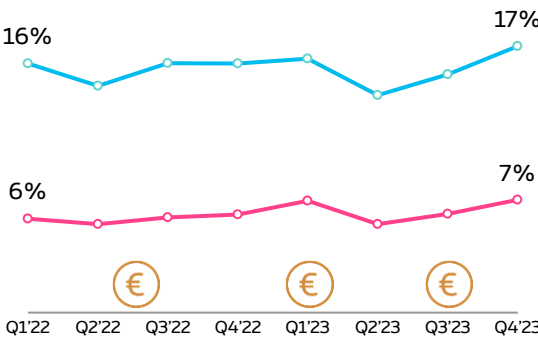
Sustaining a positive customer trend

Net adds '000



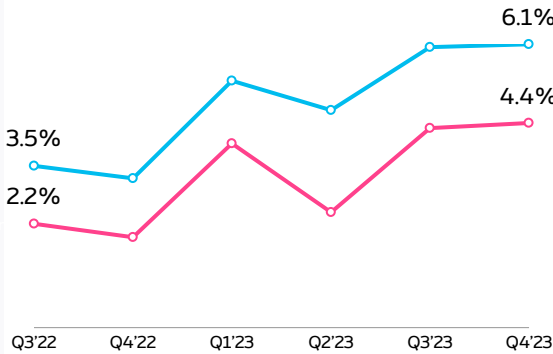
Price rises having only limited churn effect

Annualized quarterly Full churn rate



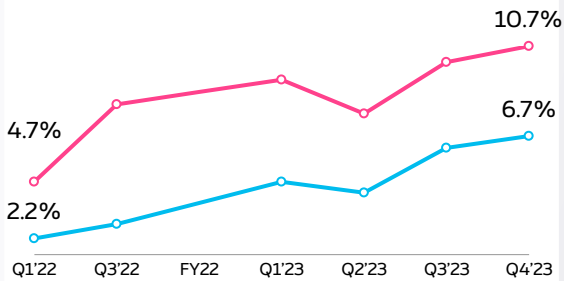
While driving meaningful ARPC uplift

YoY ARPC evolution



Empowering high pace revenue growth

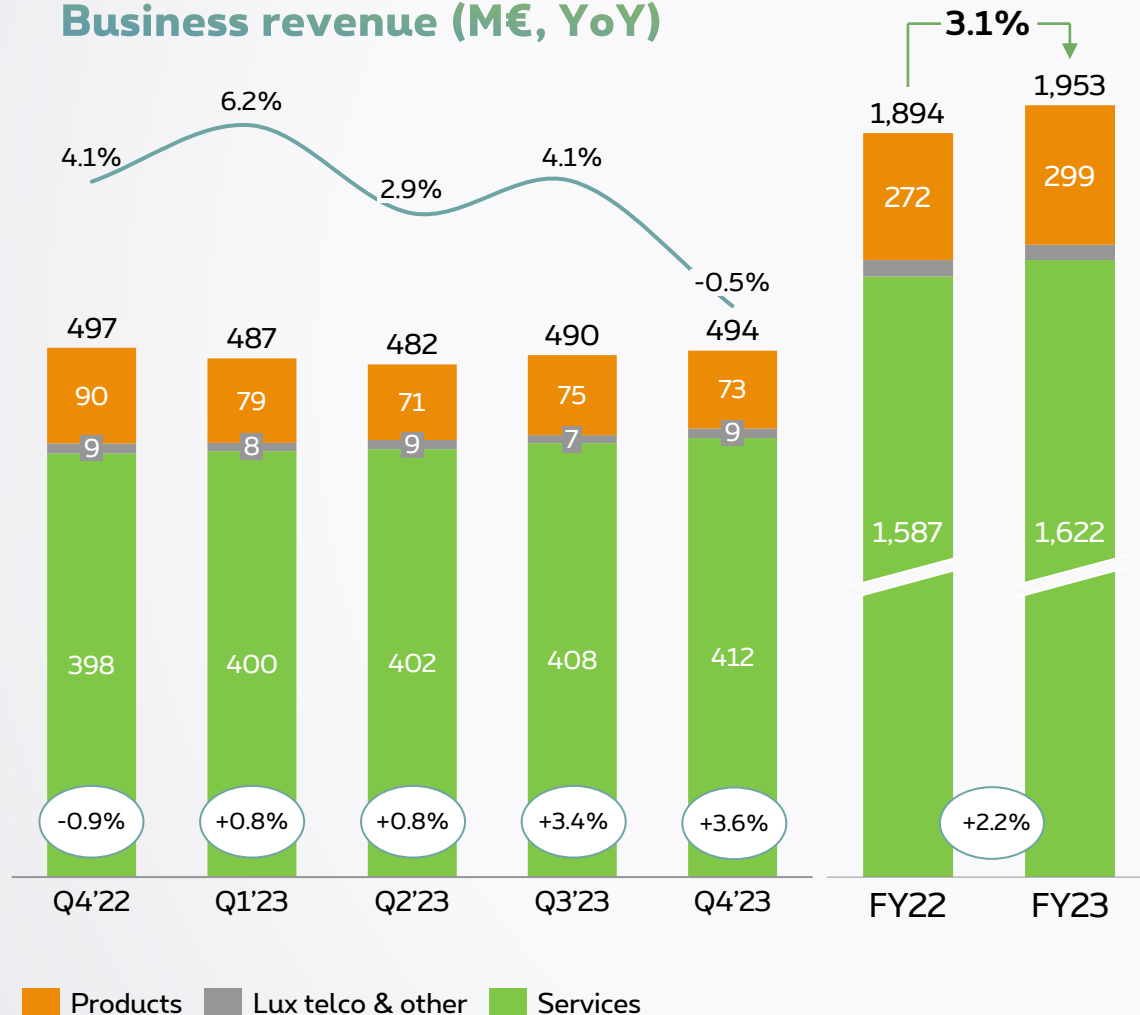
Residential Customer Services revenue YoY evolution



Business Services revenue +3.6% YoY

Product revenue cycling against high Q4'22

Business revenue (M€, YoY)



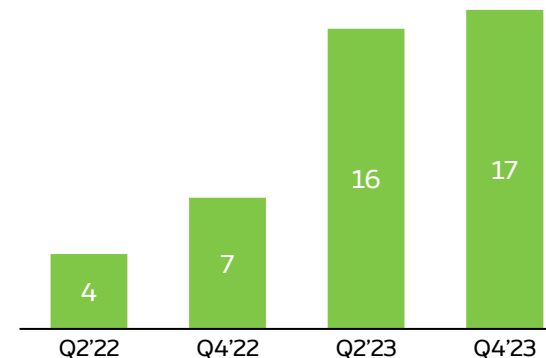
Q4 revenue

Services revenue +3.6%,
Solid growth in IT Services, Fixed Data and Mobile Services
outpacing Fixed Voice erosion

Products revenue -18.7%,
driven by IT products, cycling against high comparable base

NPS Corporates

Enhanced client journey led to
significant NPS improvement



Customer wins*



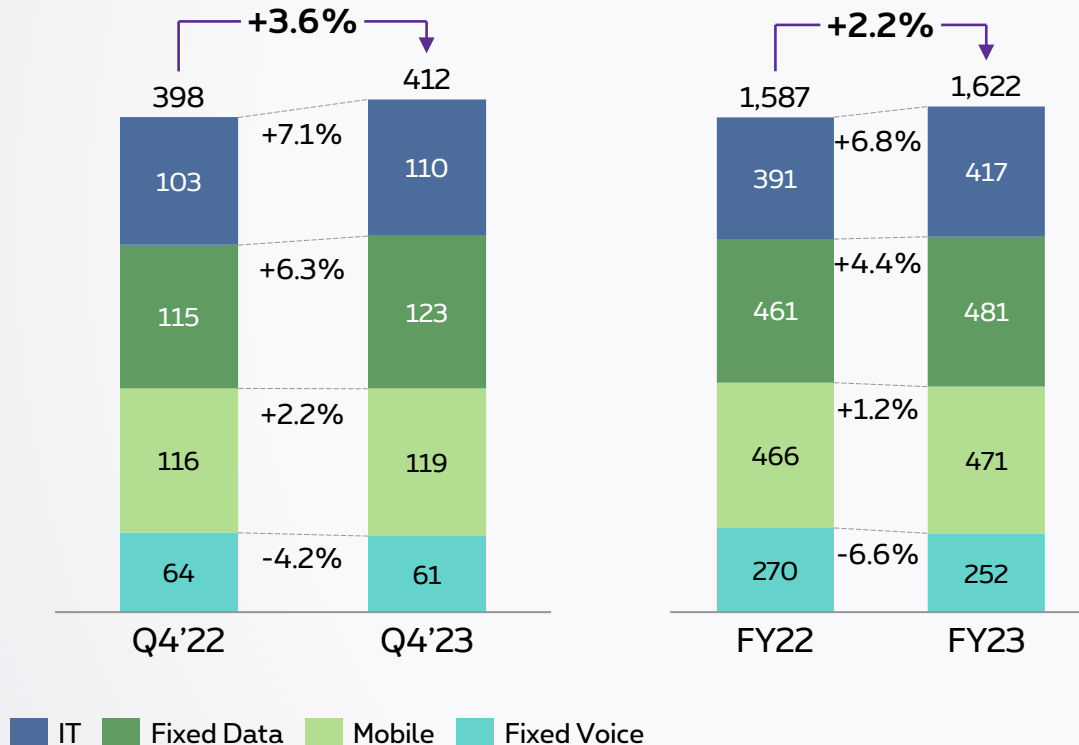
*limited to those with customer's consent

Solid continued B2B Services revenue growth in Q4

IT Services, Fixed Data and Mobile growth outpacing Fixed Voice erosion

Q4

Business Services revenue (M€)



+7.1% IT Services driven by growth in Cloud & Security, Smart Network, Smart Mobility and Advanced Workplace

+6.3% Fixed Data

- Internet revenue up: +7.8% ARPU & stable base with growing share of Fiber
- Slightly growing data connectivity revenue, managing value in the transition to SD-WAN services

+2.2% Mobile

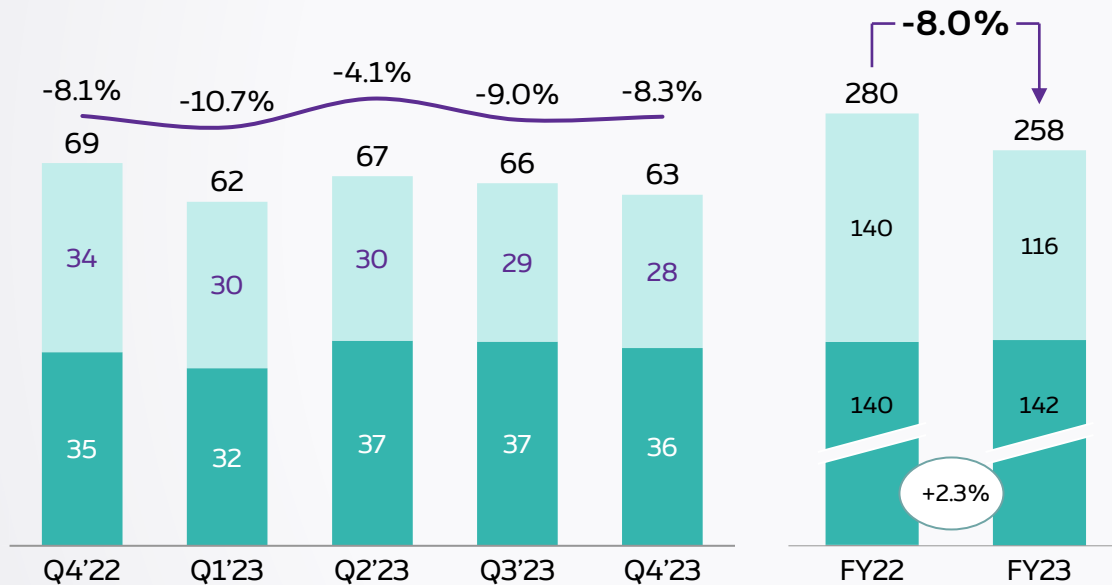
- Customer base +0.6% YoY*
- Mobile ARPU turning positive driven by price indexations

*Including initial impact of Flemish Government contract loss for B2B segment (-7k in Q4 2023)

Wholesale Q4 Services revenue +2.3%

continued decline in interconnect revenue

Wholesale revenue (M€, YoY)



Interconnect Fixed & Mobile services Other operating income

Q4 Fixed & Mobile Services revenue +2.3%

- Higher visitor roaming revenue
- Growing JVs services revenue
- Partly offset by negative impact from annualized large contract

Interconnect revenue -19.0%

- No meaningful margin impact
- Ongoing decline in traditional messaging revenue
- EU MTR regulation impact (-1M€)

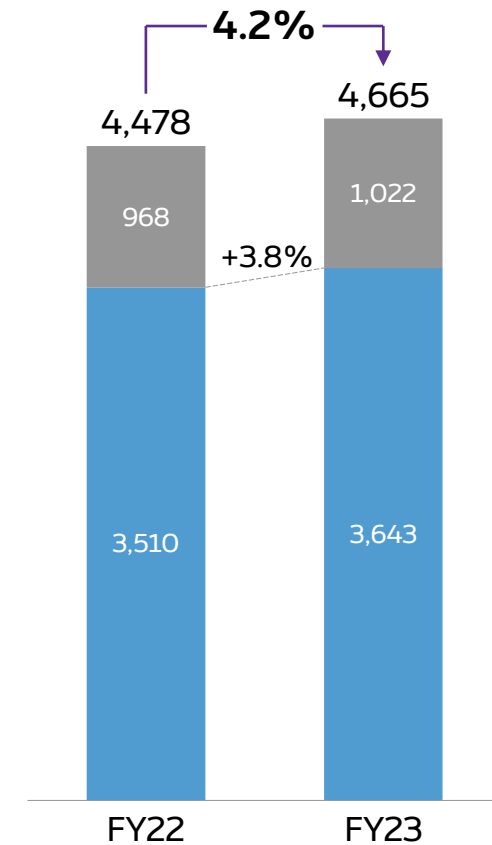
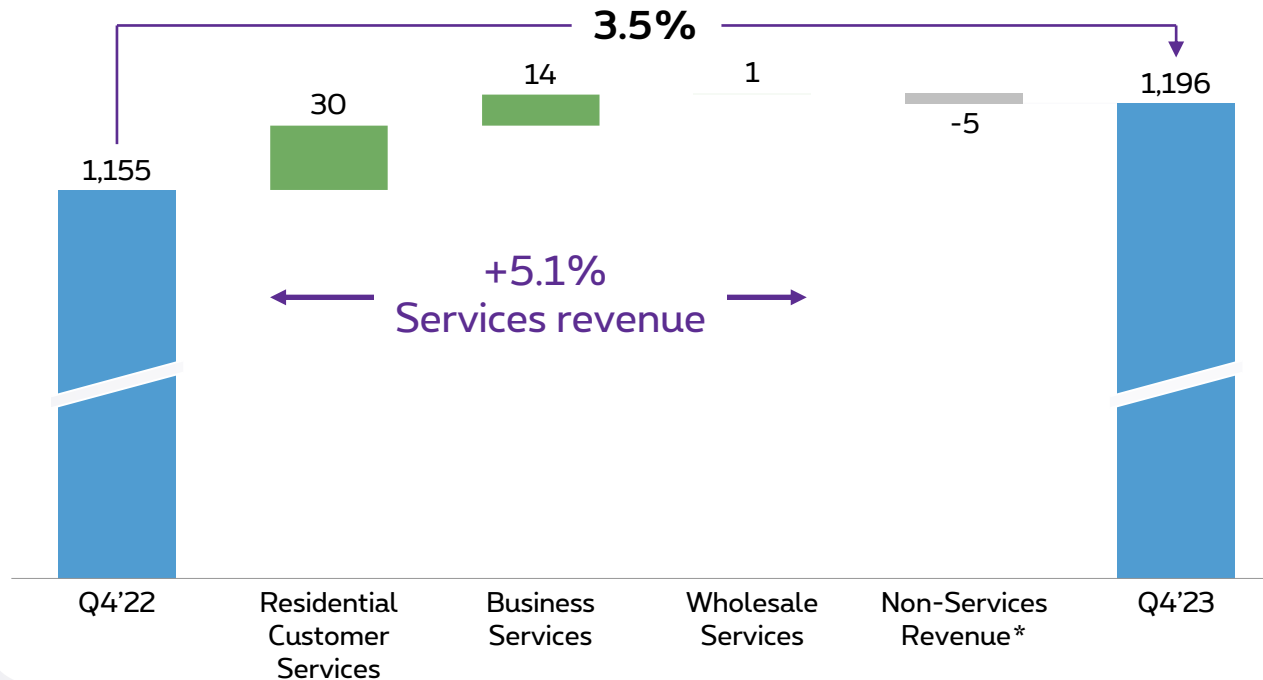
Sustained strong Domestic revenue growth, +3.5% YoY

revenue from Services up by +5.1% YoY

Q4

FY

Revenue
(underlying, M€)



Services
Non-Services Revenue*

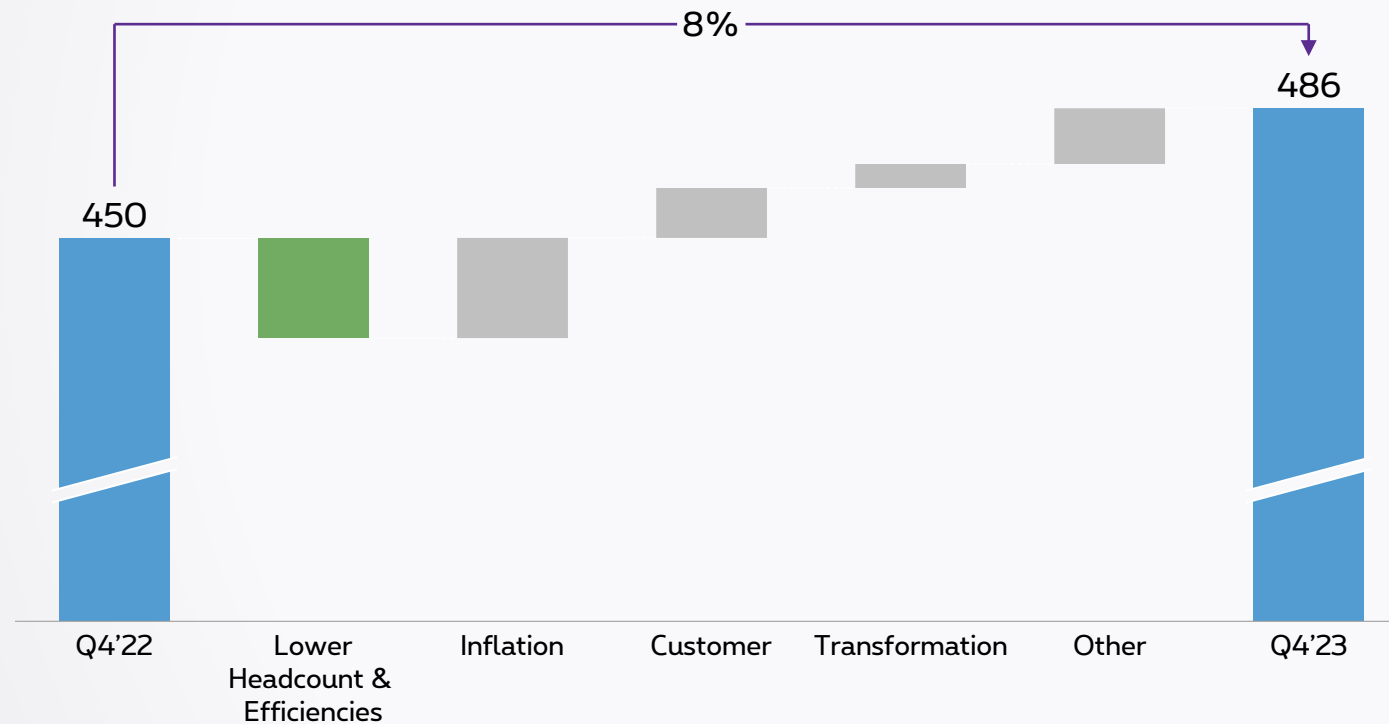
Continued cost efficiency delivery moderates inflation effect

Customer OPEX increases driven by strong commercial momentum

Q4

OPEX

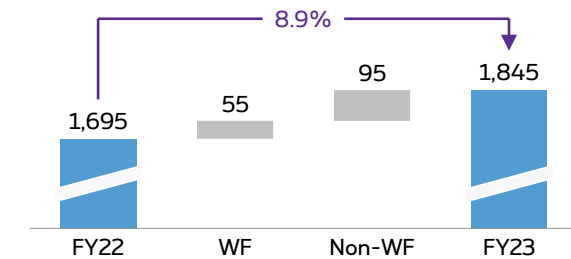
(management view, underlying, M€)



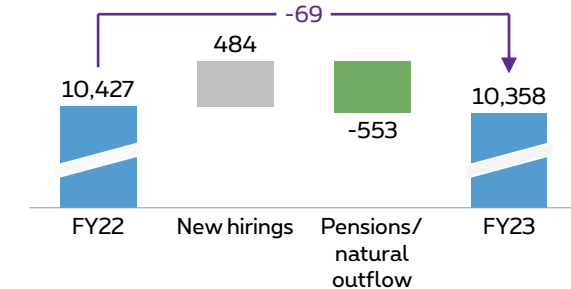
- **Inflation:** wage indexations (Dec'22/Jan'23/Dec'23), energy costs and other inflationary costs increases
- **Customer related costs:** acquisition, retention, migration and servicing costs
- **Other OPEX:** Longtail OPEX e.g. rental of buildings, X-charging Mwingz, electrification of fleet and bad debt reversals

FY

Domestic OPEX (M€)



Domestic headcount (FTE)

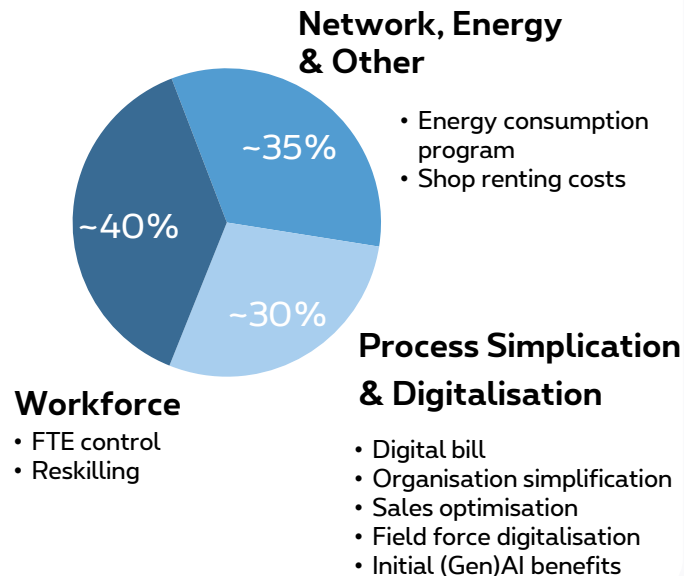


Cost efficiencies on track with bold2025 ambition

Inflationary costs moderating , customer opex reflecting commercial success

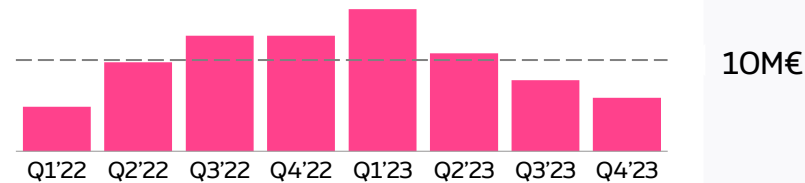
Efficiencies 2023

95M€ of cost efficiencies
delivered in 2023, well on track for
220M€ in total by end-2025

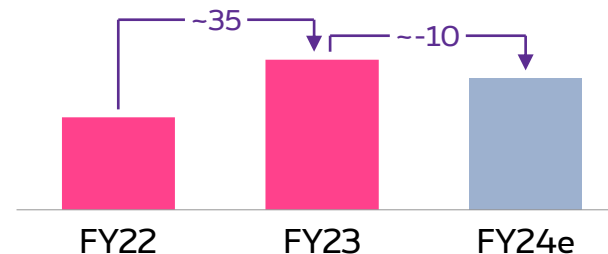


Inflationary costs

Moderating wage inflation impact
Increase YoY in M€

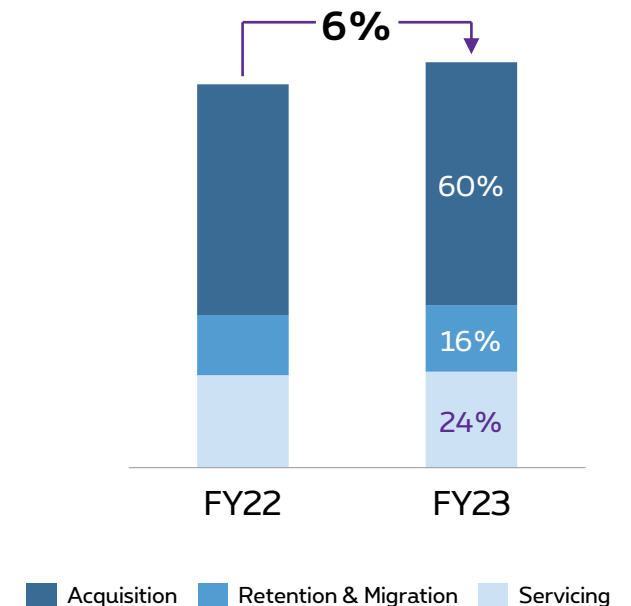


Peak of electricity cost in 2023,
expected to come down YoY for 2024
in M€



Customer OPEX 2023

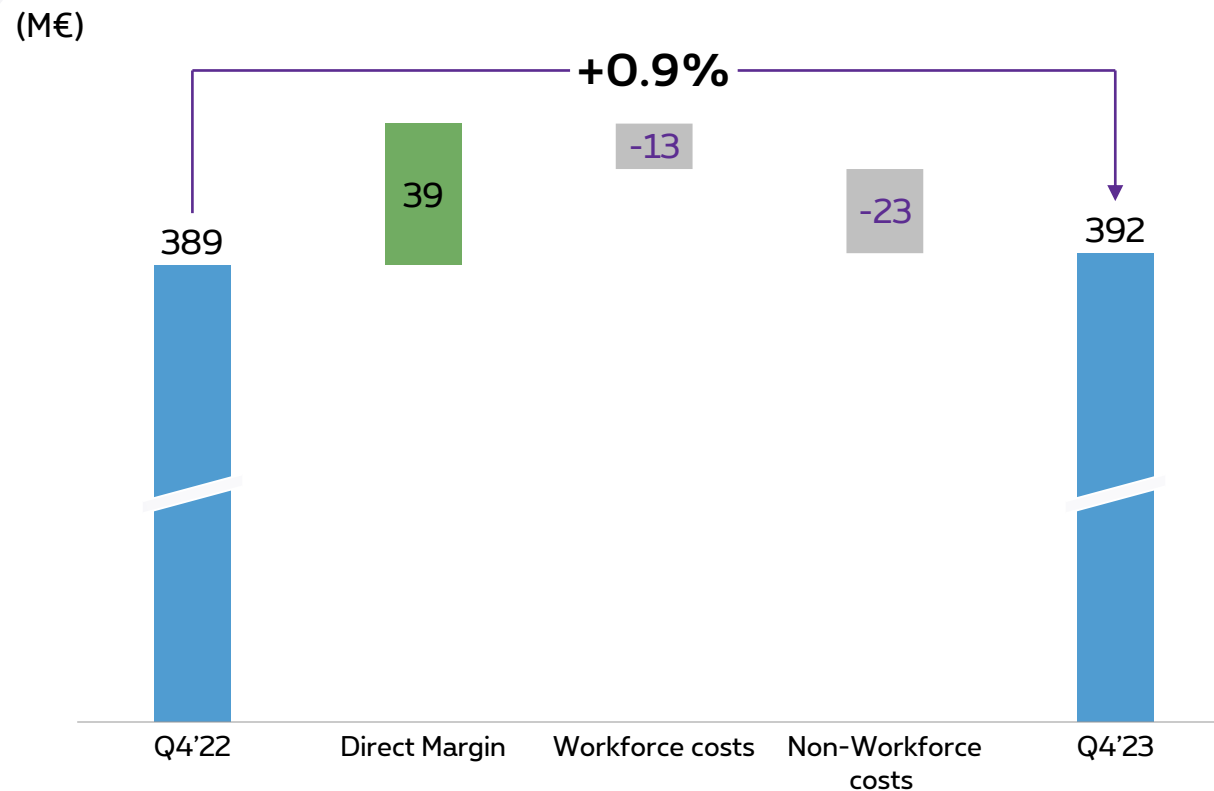
+6% YoY, to support a double -
digit acquisition growth and migration
to higher product superiority
technology



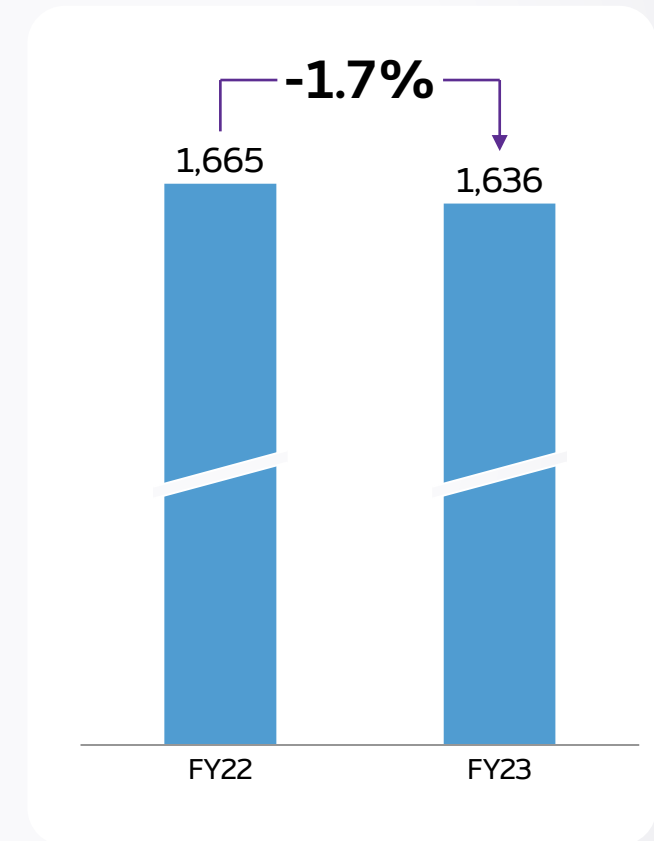
Domestic EBITDA trend sequentially improved to +0.9%

strong Direct Margin growth and mitigation of inflationary and volume impacts

Q4



FY

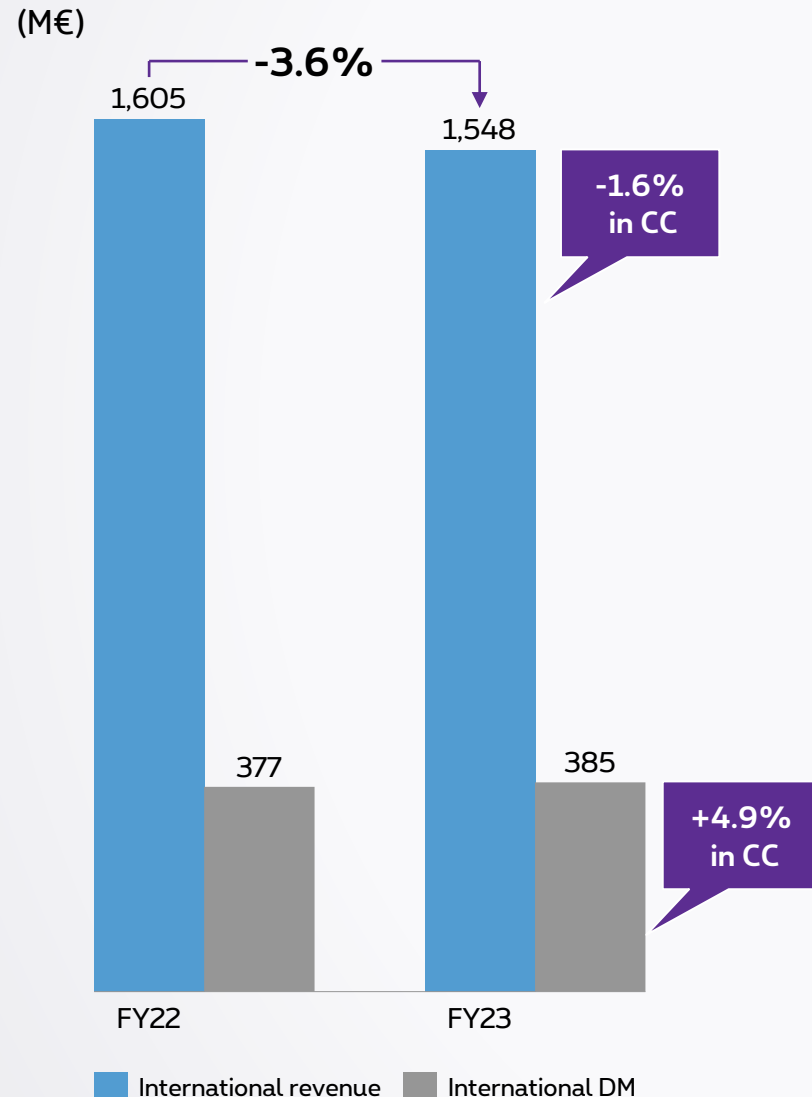


International



International revenue decline while growing Direct Margin

well-positioned to grasp value transition to omnichannel solutions

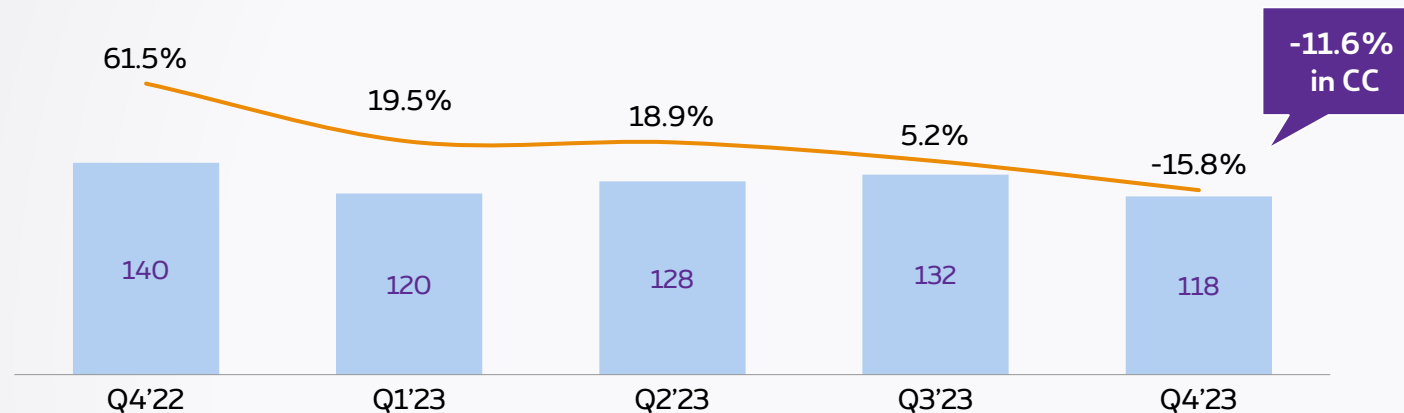


- **Messaging** transitioning to alternative channels, with a more meaningful impact on revenue than on direct margin.
- **Voice** back to inherently declining trend, and YoY impacted by a change in destination mix.
- **Digital Identity**, Cloud Communication, Signalling and IoT continued strong growth profile.
- Telesign well positioned to capture **omnichannel solutions** to their customers in the coming quarters.

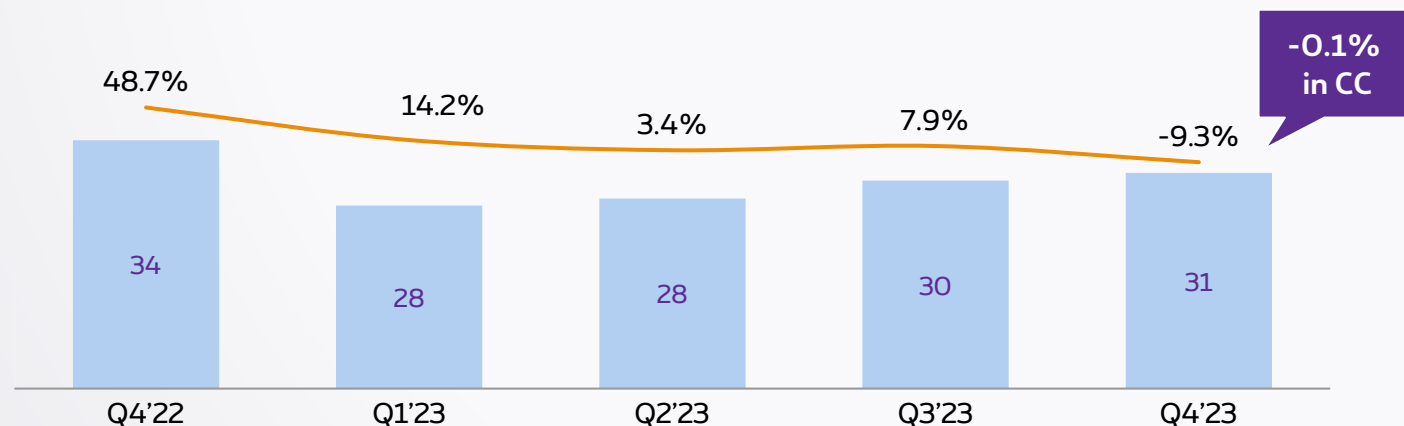
Telesign cycling against an elevated Q4'22

while Q4'23 sees customers optimizing their spend in view of macro trends

Revenue (M€)



Direct Margin (M€)



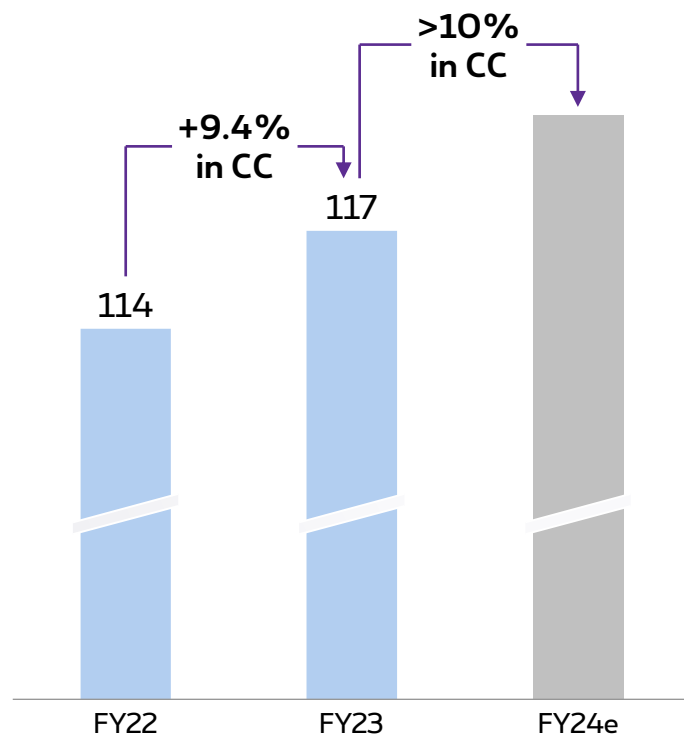
- Strong **Digital Identity** growth, at high margin, driven by new customers in the consumer finance sector
- Q4'22 high comparable base, benefitting from strong volumes in the gaming vertical
- Increased client substitution to OTT communication channels moderated growth in Q4'23

Telesign to continue its growth trajectory in 2024

perfectly positioned to support customers in omnichannel transition

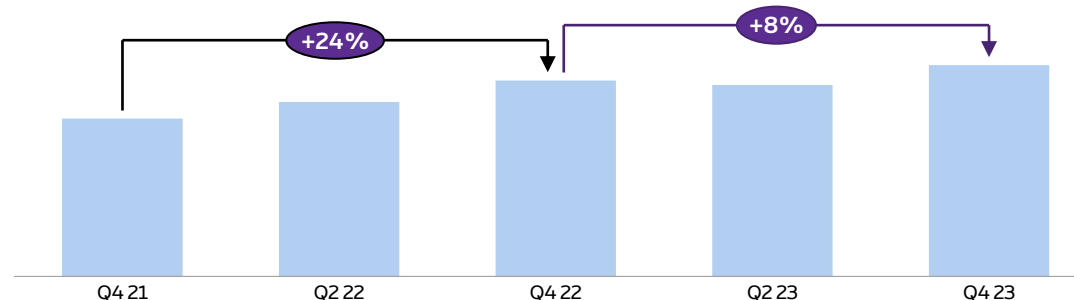
Positioned to deliver >10% DM growth in FY2024 (constant currency)

Direct Margin (M€)



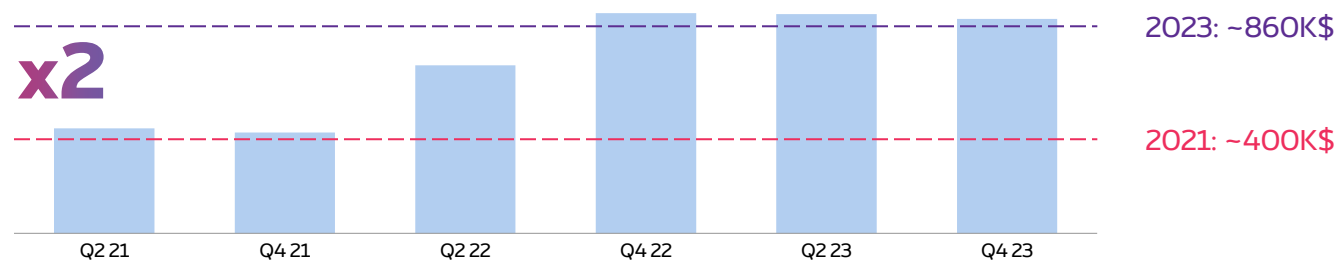
Volumes

Unit, for all channels



Sales bookings¹

Average per Q, in K\$

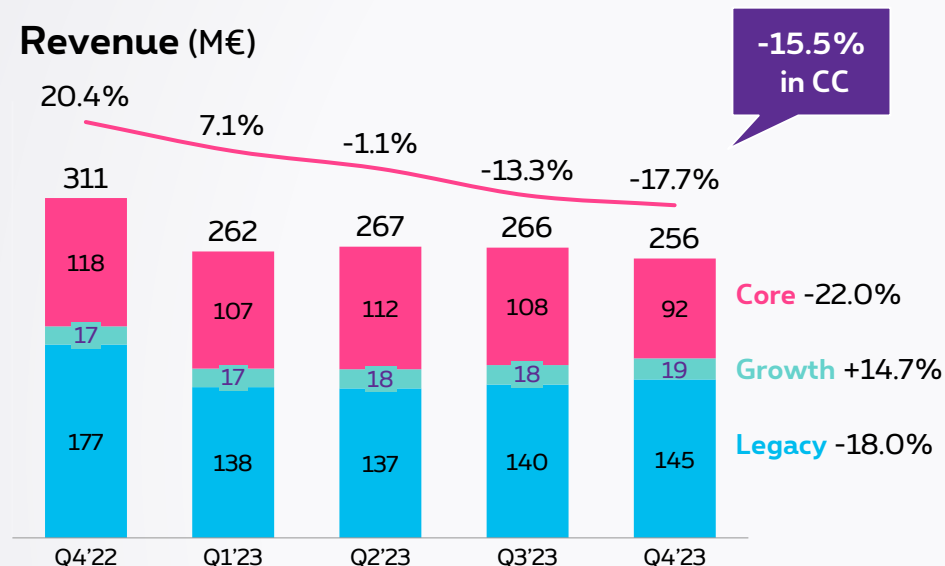


¹ Estimated monthly DM value of a won. The nature of these bookings can vary between monthly recurring opportunities or short-term commercial opportunities

BICS cycling against exceptionally strong Q4'22

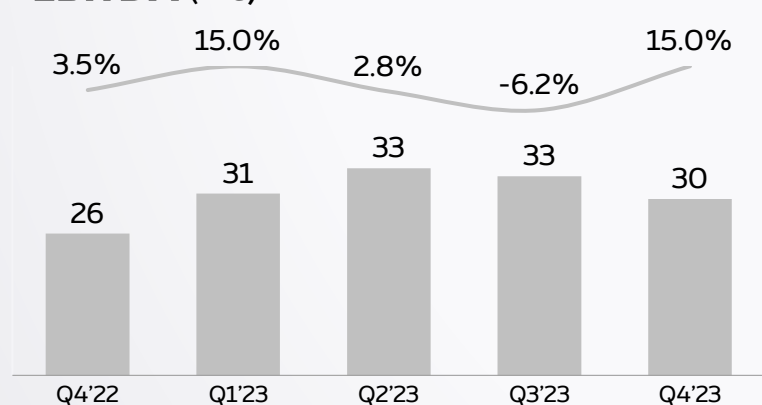
Revenue decrease with limited margin impact

Revenue (M€)



- **Core products:** revenue down on lower Messaging volumes and change in destination mix
- **Growth products:** increases driven by Cloud Communications and IoT
- **Legacy products (Voice):** OTT substitution, destination mix, FX impact.

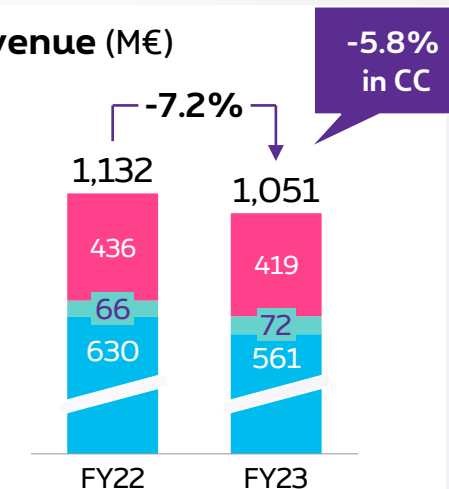
EBITDA (M€)



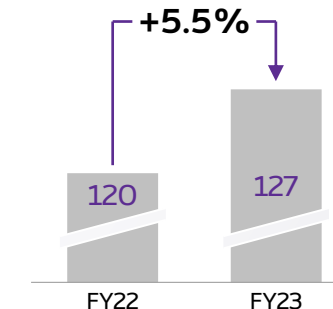
- **EBITDA up +4M€ YoY** with slightly growing DM (on CC)
- **OPEX - 4M€ YoY** from a high comparable base in 2022 due to non-structural cost, while strong cost control compensated inflation effects.

FY

Revenue (M€)



EBITDA (M€)



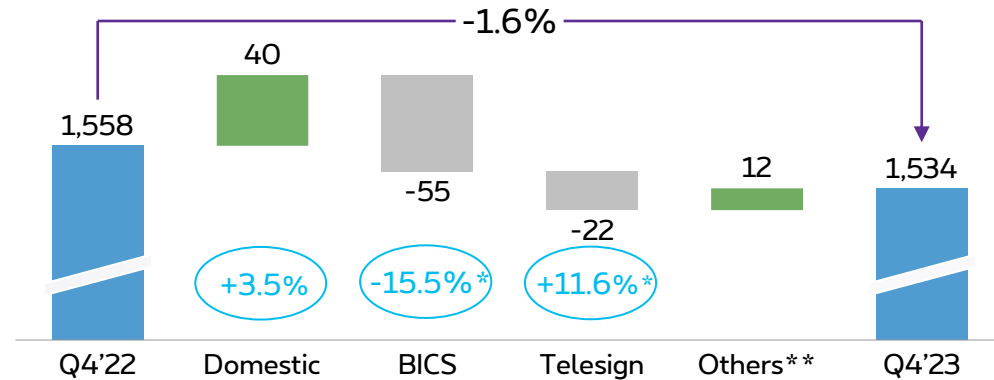
Group



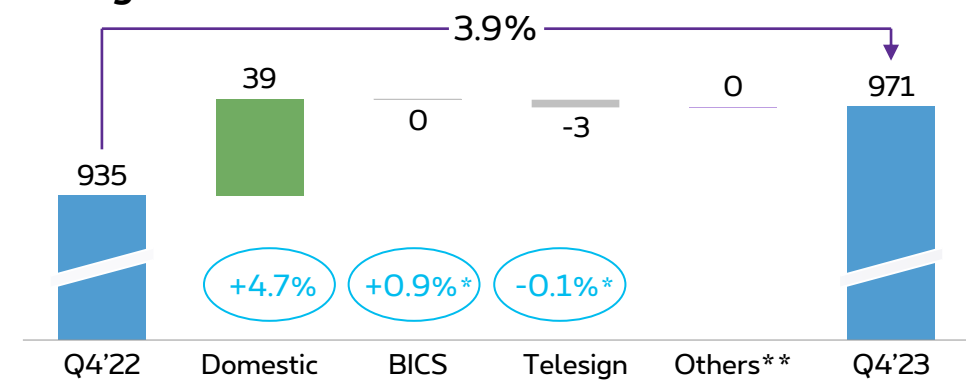
Q4 Group EBITDA +1.4%, carried by Domestic and BICS

Growing Direct Margin offsetting cost pressure

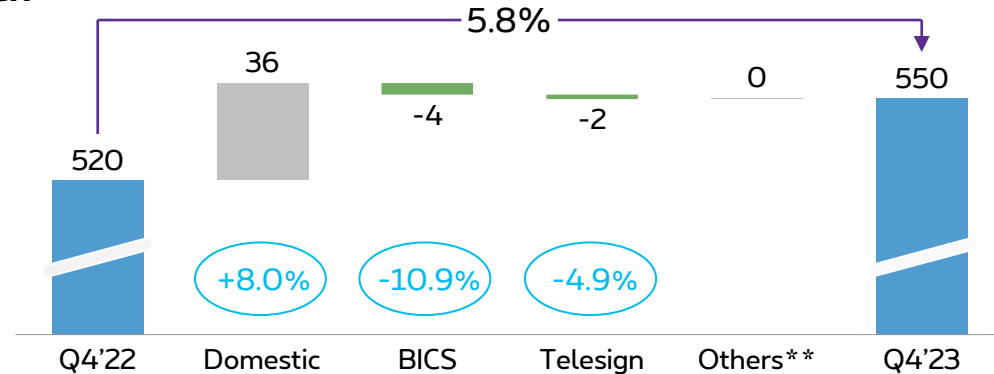
Revenue



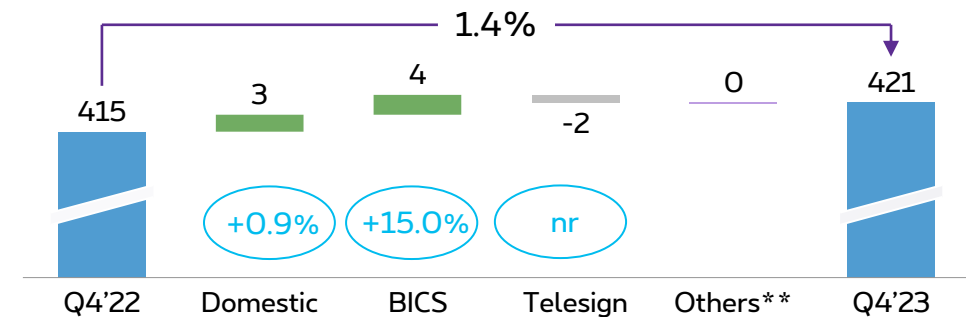
Direct Margin



Opex



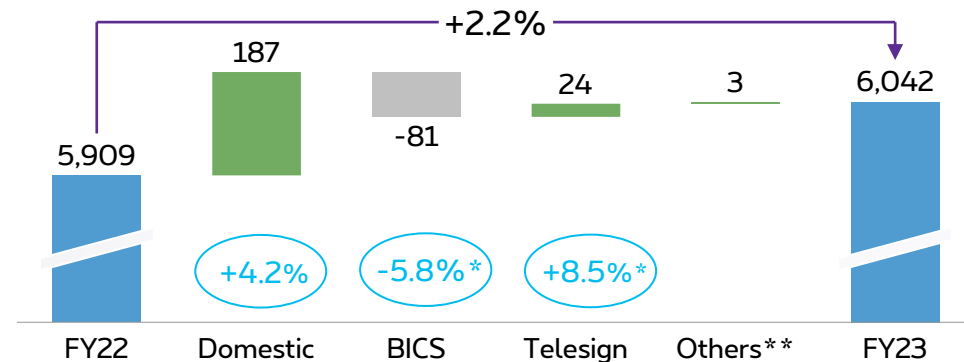
EBITDA



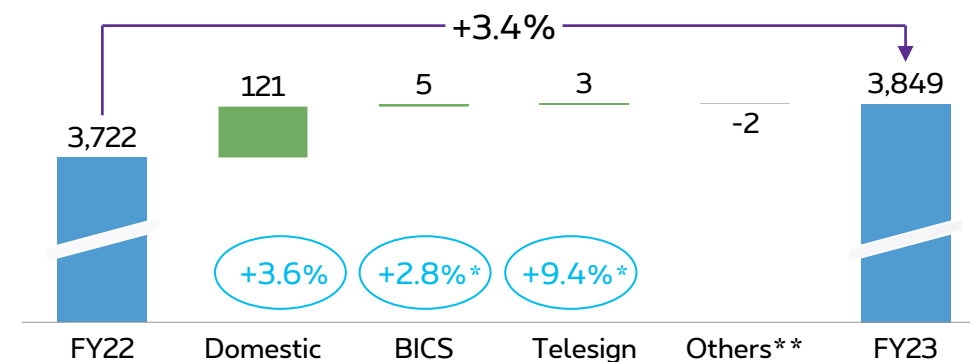
FY'23 Group EBITDA decrease limited to -1.6%

Strong Direct Margin growth for large part offsetting OPEX increase

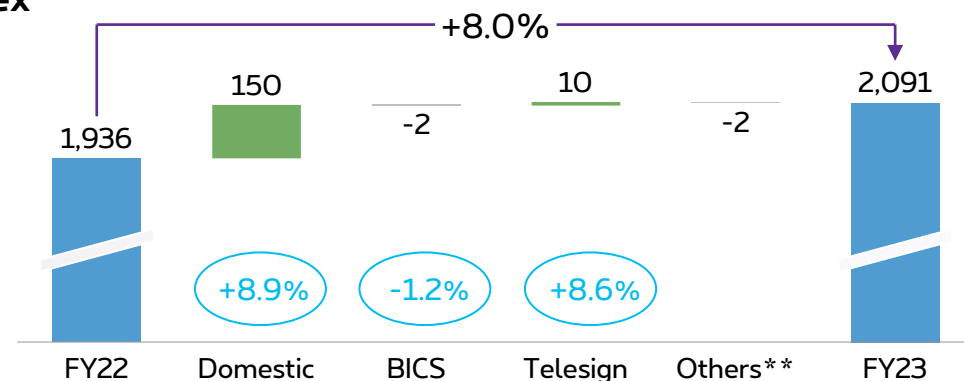
Revenue



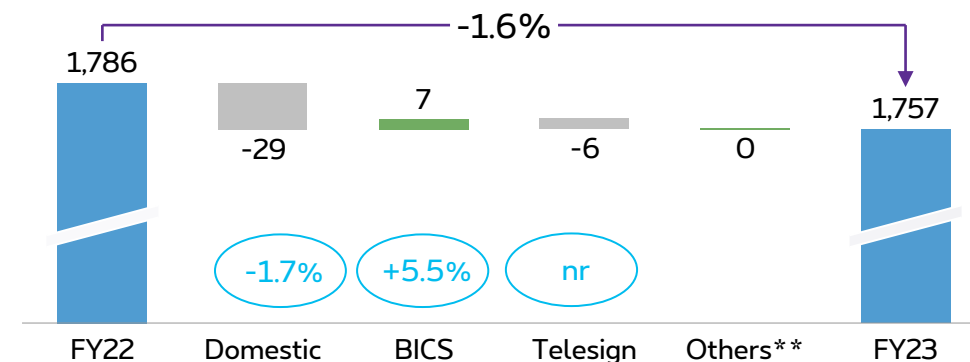
Direct Margin



Opex

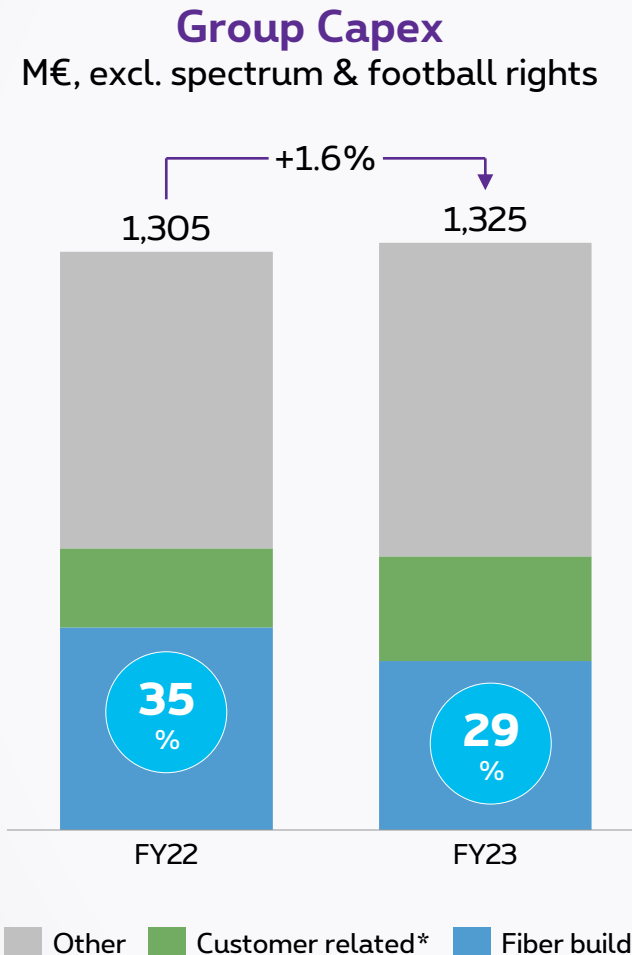


EBITDA



FY2023 Group capex of 1,325M€

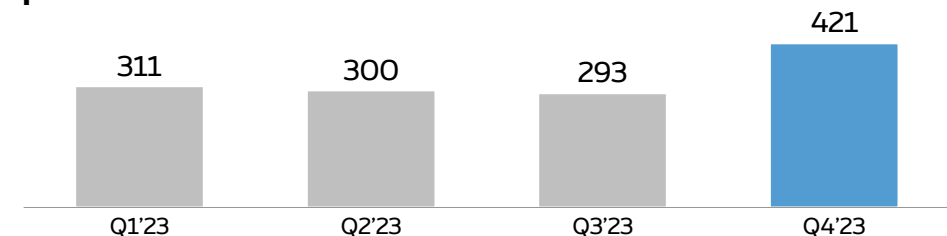
Q4 capex driven by acceleration in Fiber deployment and customer equipment



- Proximus **Fiber build volumes** reducing
- Fiber **customer termination** and **activation cost** rising
- **Other capex** includes a.o IT investments, and the ongoing implementation of **Mobile network consolidation**.

Higher Fiber deployment rate in Q4'23, combined with strong customer gain drives capex seasonality

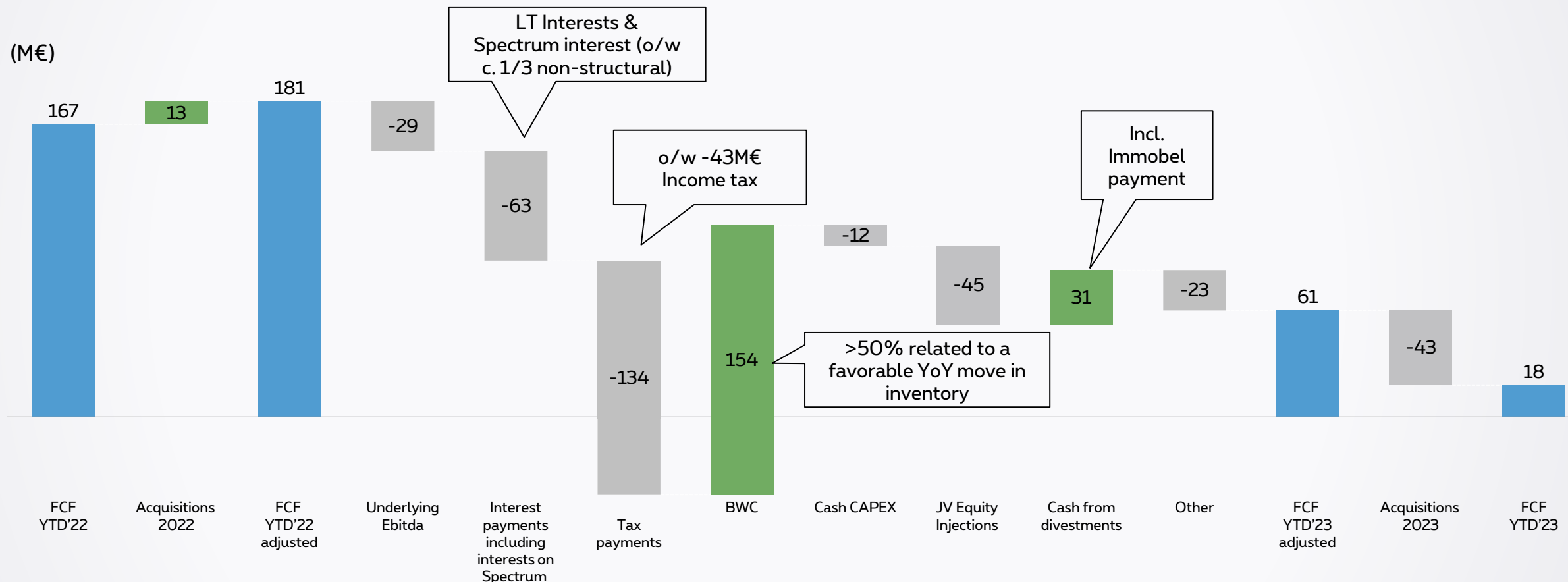
Capex M€



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







FY23 adjusted FCF of 61M€ incl. +96M€ for Q4

Tax impacts, lower EBITDA and equity injections partially offset by favorable BWC



- 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 2023, adjustments to FCF consist of acquisitions (EUR 15 million) and M&A-related transaction costs (EUR 28 million), mainly related to transaction with Route Mobile.
- FCF includes the lease payments and Fiber JV equity injections Tax payments include different tax items such as: income tax, withholding taxes and VAT payments (impacted YoY by the end of Covid related government support measures)

Beating our revised 2023 revenue and EBITDA guidance

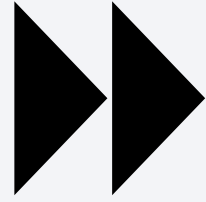
Guidance metrics	FY2022	FY2023	Outlook FY 2023 Revised 27 Oct 2023	Achievements FY 2023
Underlying Domestic revenue	4,478M€	4,665M€	Between +3.5% and 4% YoY	+4.2% YoY 
Underlying Domestic EBITDA	1,665M€	1,636M€	Around -2% YoY	-1.7% YoY 
International Direct Margin* (ex-currency effects)	377M€	385M€	Between +4% and +5% YoY	+4.9% YoY 
Underlying Group EBITDA	1,786M€	1,757M€	Around -2% YoY	-1.6% YoY 
Capex (excl. Spectrum & football rights)	1,305M€	1,325M€	Peak at around 1.3bn€	
Net debt / EBITDA (As per S&P definition)	2.3X	2.6X	Around 2.6X	

Dividend over 2023 result

Proximus Board of Directors approved the ordinary dividend over the results of 2023 for €0.7/share gross.

- Ex-coupon date: 24 April 2024
- Payment date: 26 April 2024

*International Direct Margin: Aggregate of Telesign and BICS Direct Margin
Company FY projections on DM exclude currency fluctuations



Looking forward 2024



Key focus for this year

2024



Sustain a strong commercial momentum, driving revenue growth



Continue significant **cost efficiencies** supported by AI



Close Route Mobile transaction and initiate synergies



Capitalizing on network superiority & working towards **Fiber collaboration**



Readying for evolution in the Belgian market structure

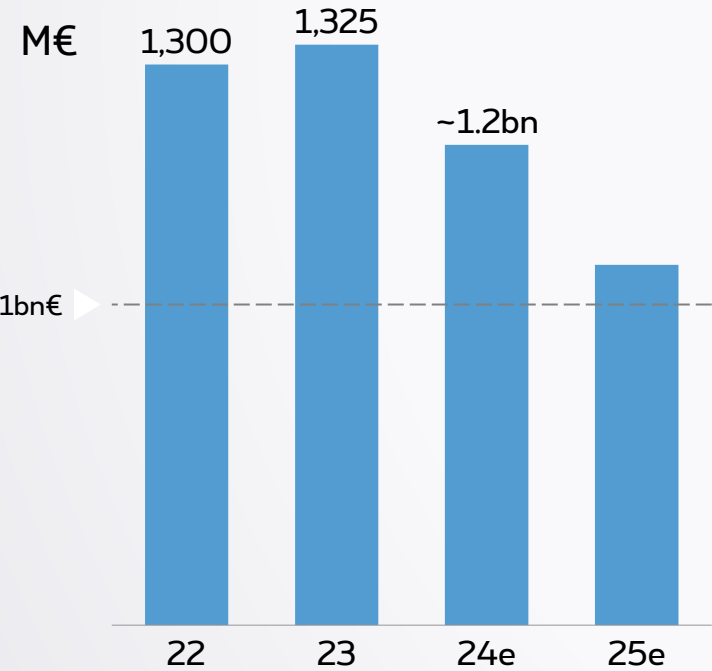


Executing **Asset sales** program

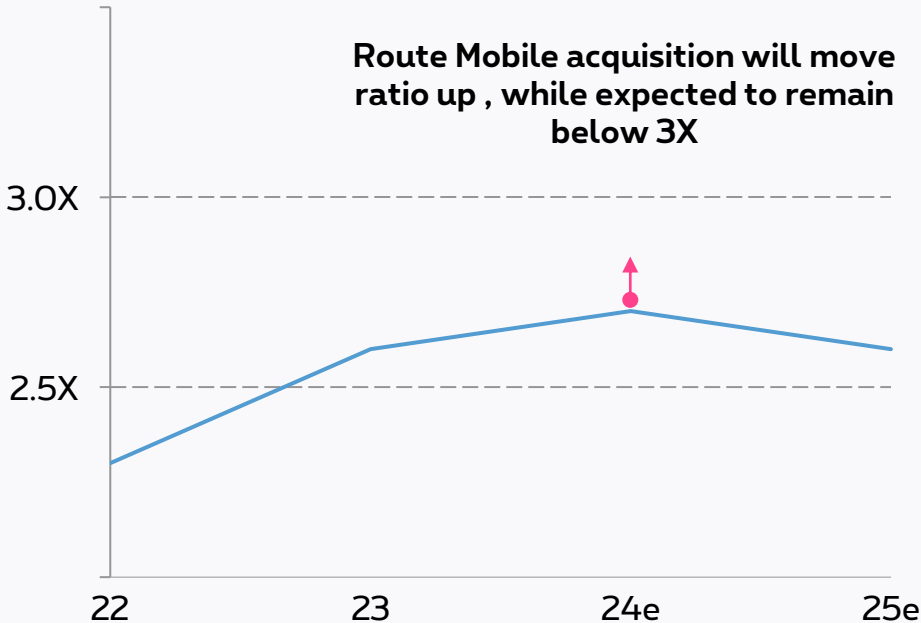
Capital allocation

Investing in growth, keeping sound balance sheet and returning attractive dividend

Investing in growth,
while **capex** on
normalization path



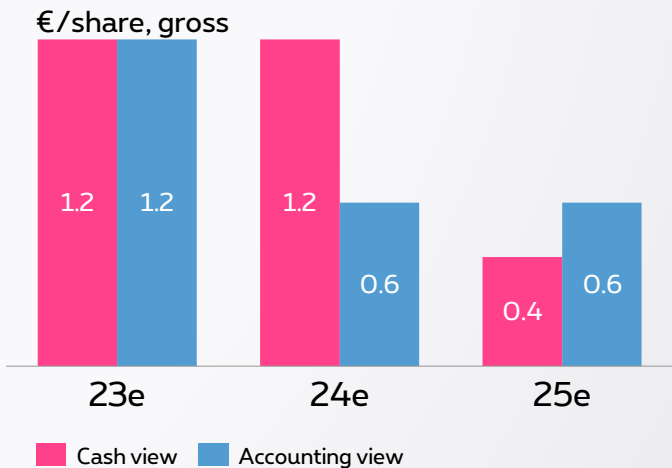
Net debt ratio* kept within our
comfort zone



Attractive dividend
in line with our 3YR
dividend policy

**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.



*S&P definition, with ratio adjusts for spectrum liabilities, post retirement compensation, available cash and 50% of fiber JV debt

2024 guidance

returning to EBITDA growth, despite evolution of market structure.

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

*After closure of 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.



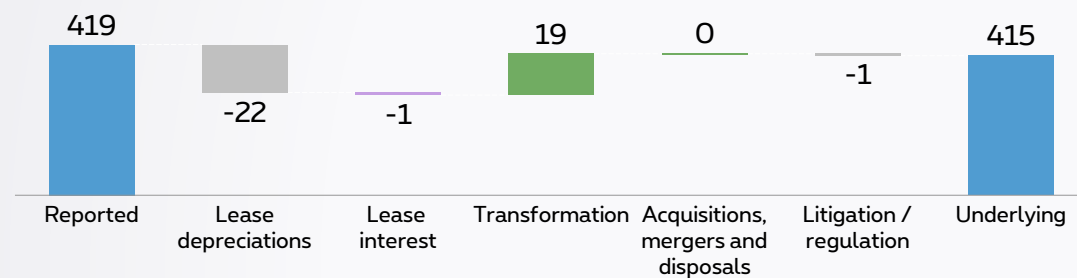
Appendix



From reported to underlying – EBITDA adjustments

Q4'22

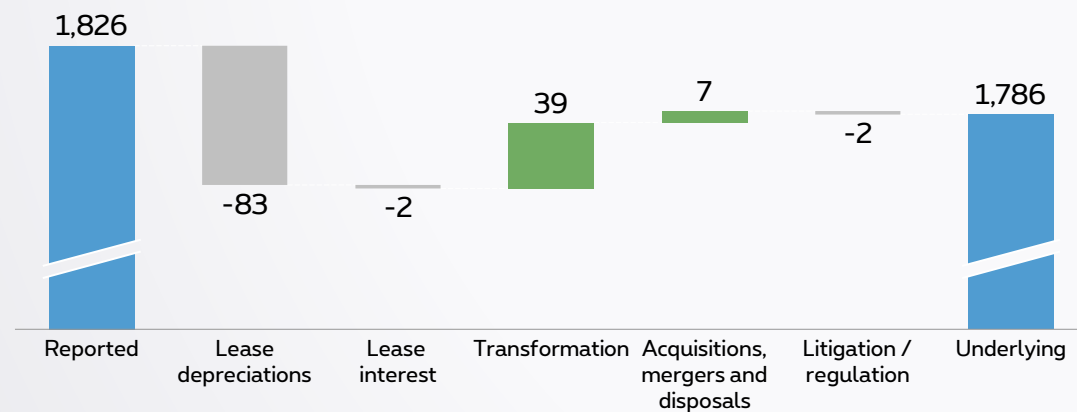
(M€)



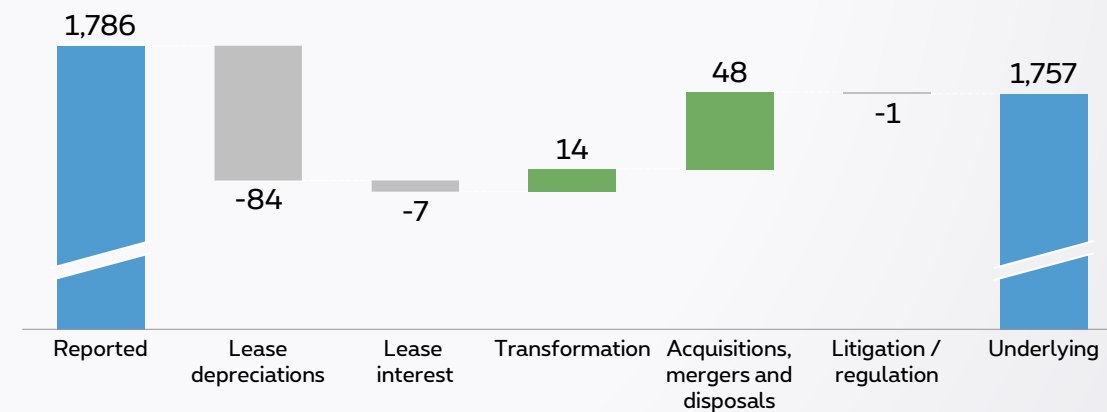
Q4'23



FY 22



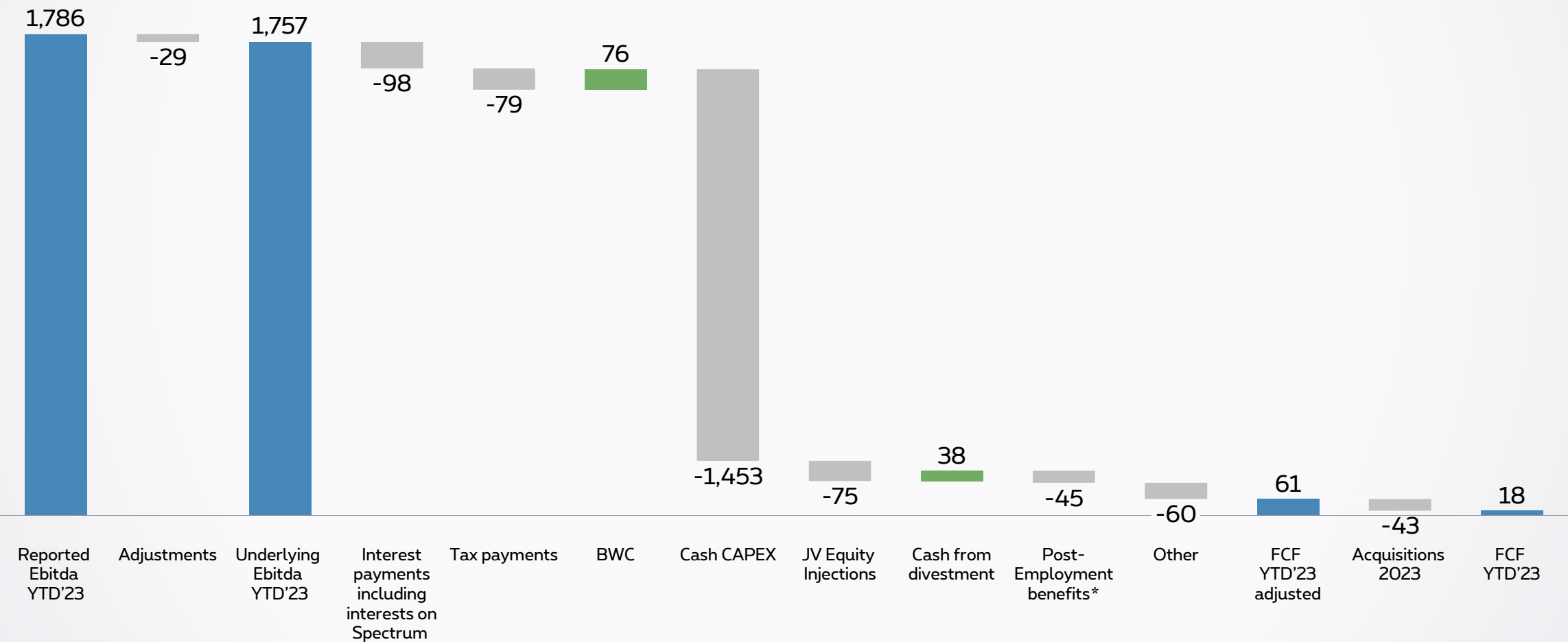
FY 23



EBITDA conversion to FCF

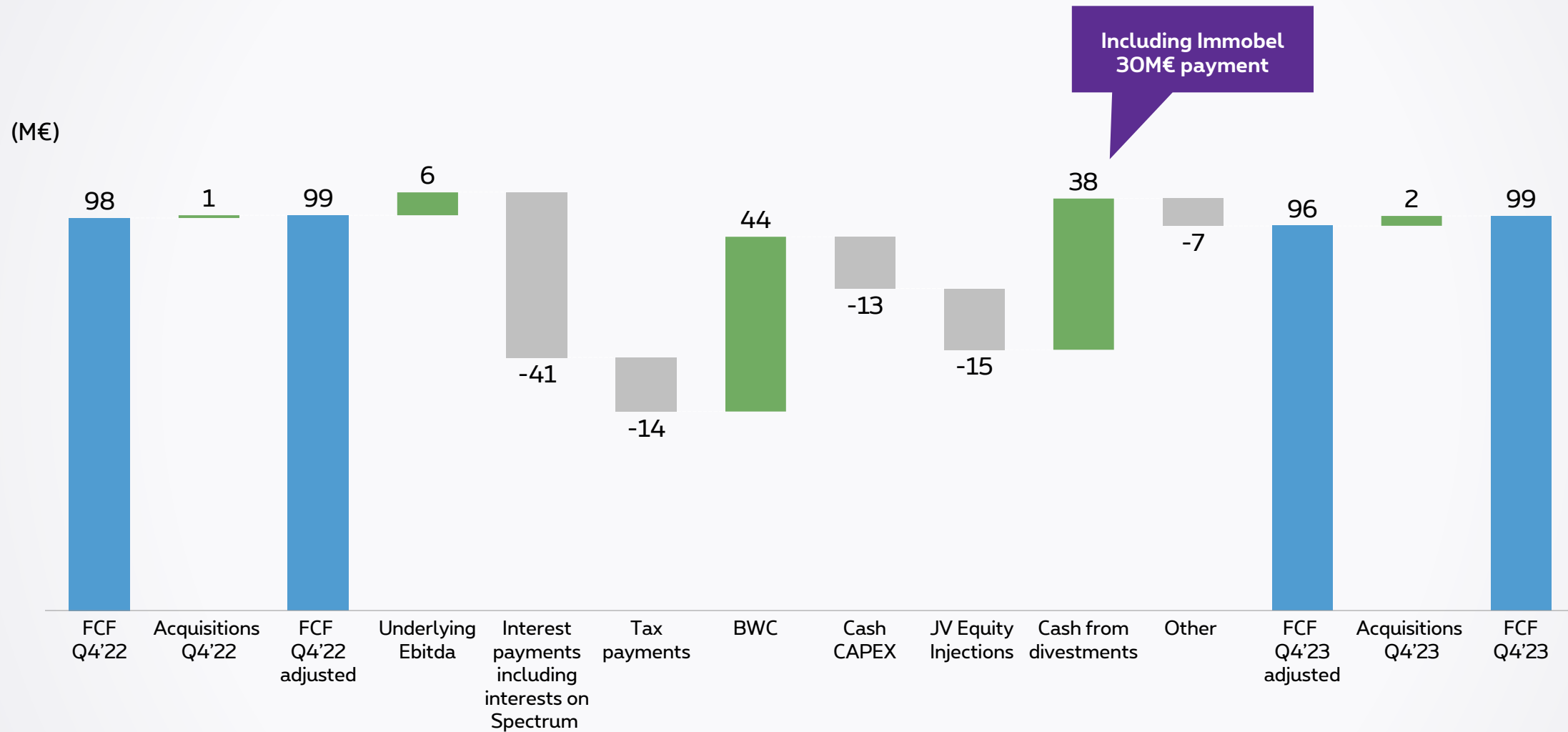
FY 2023

(M€)



*Including Early Leave Plan and the Fit For Purpose transformation plan

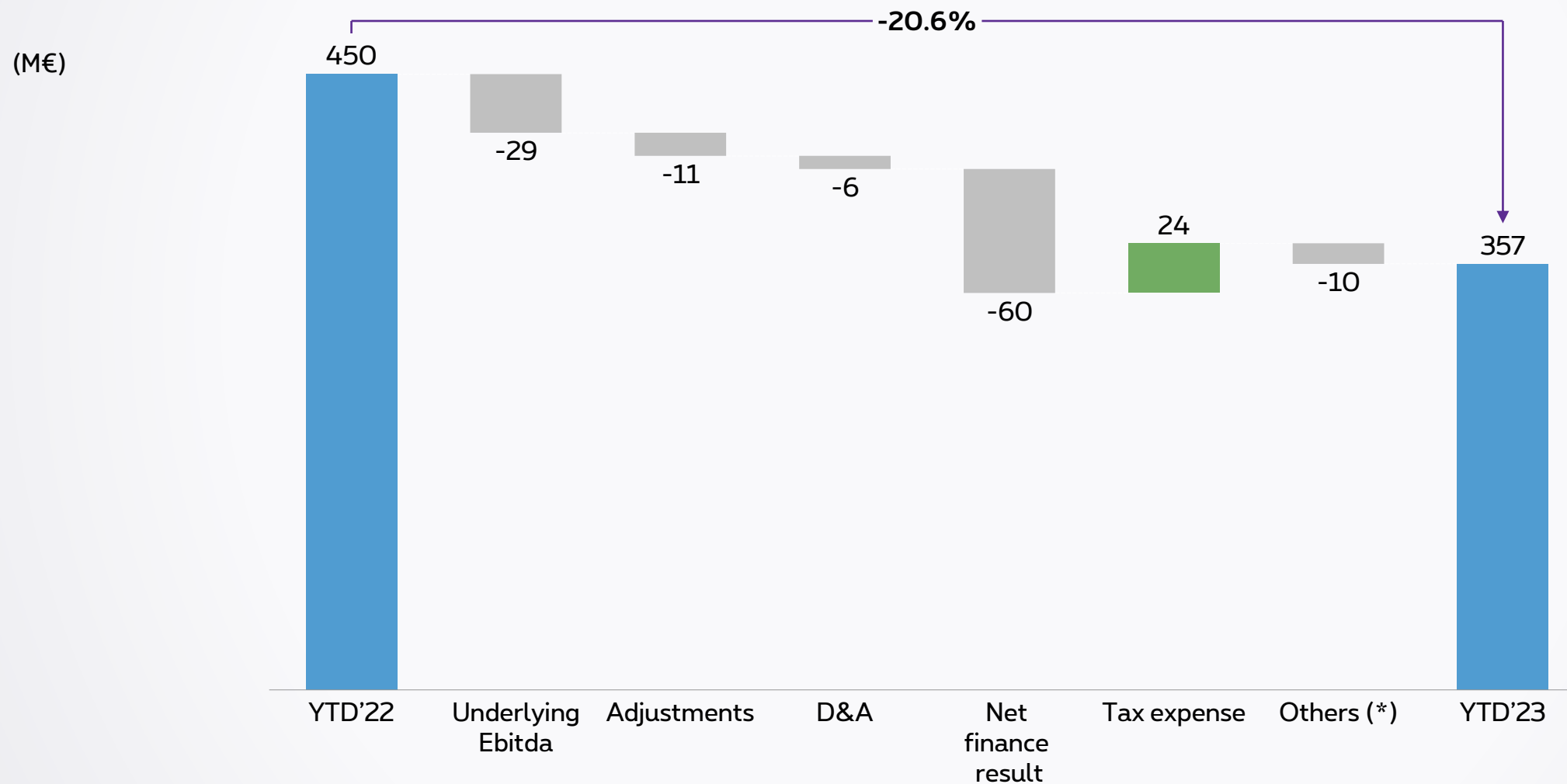
Q4'23 adjusted FCF of 96M€



- 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
- Free Cash Flow adjusted: excludes M&A transactions and as of Q4'23 directly related cash effects (mainly related to transaction with Route Mobile)
- FCF includes the lease payments and Fiber JV equity injections Tax payments include different tax items such as: income tax, withholding taxes and VAT payments (impacted YoY by the end of Covid related government support measures)

Net income

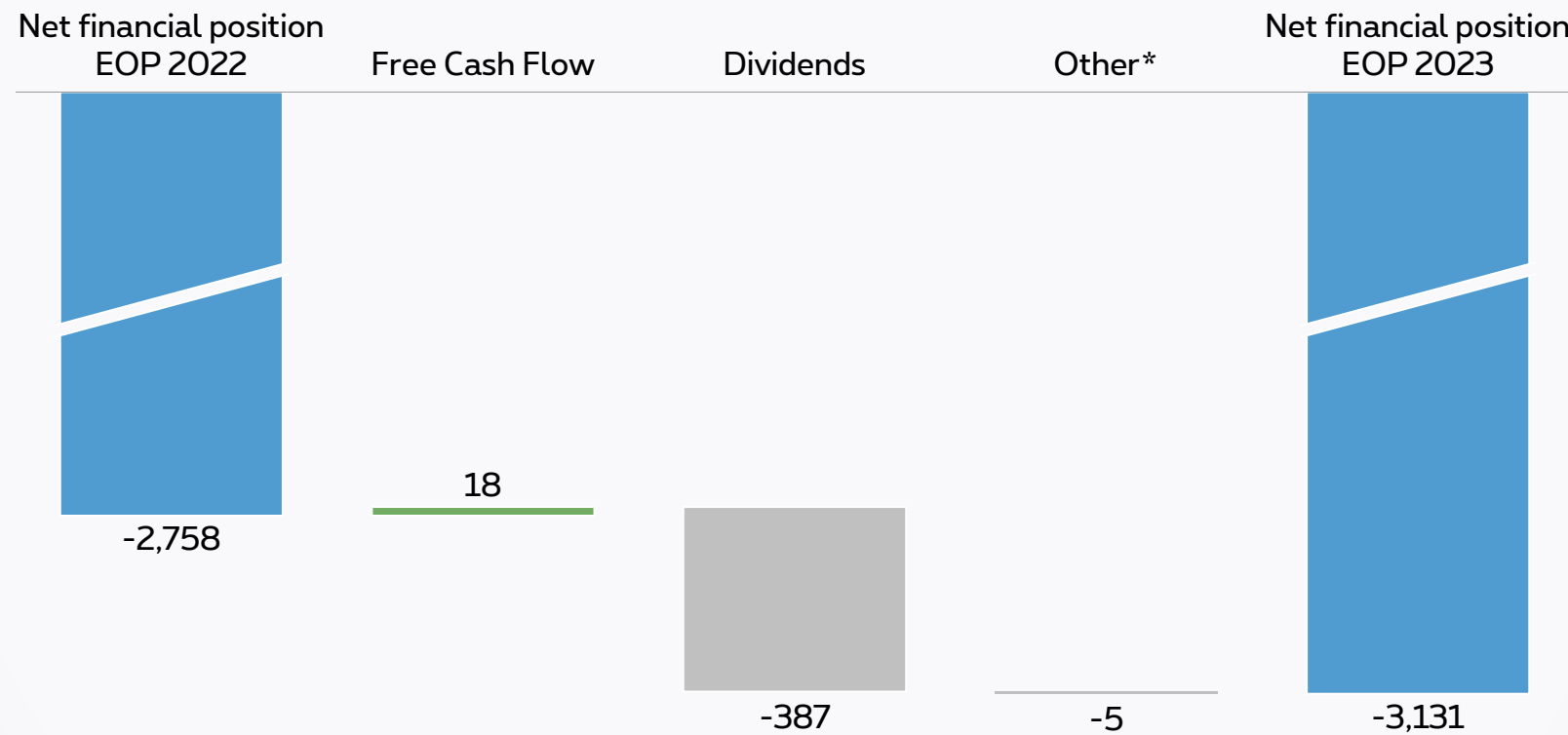
(Group share)



Adjusted Net Financial Position (excl. lease liabilities)

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

(M€)

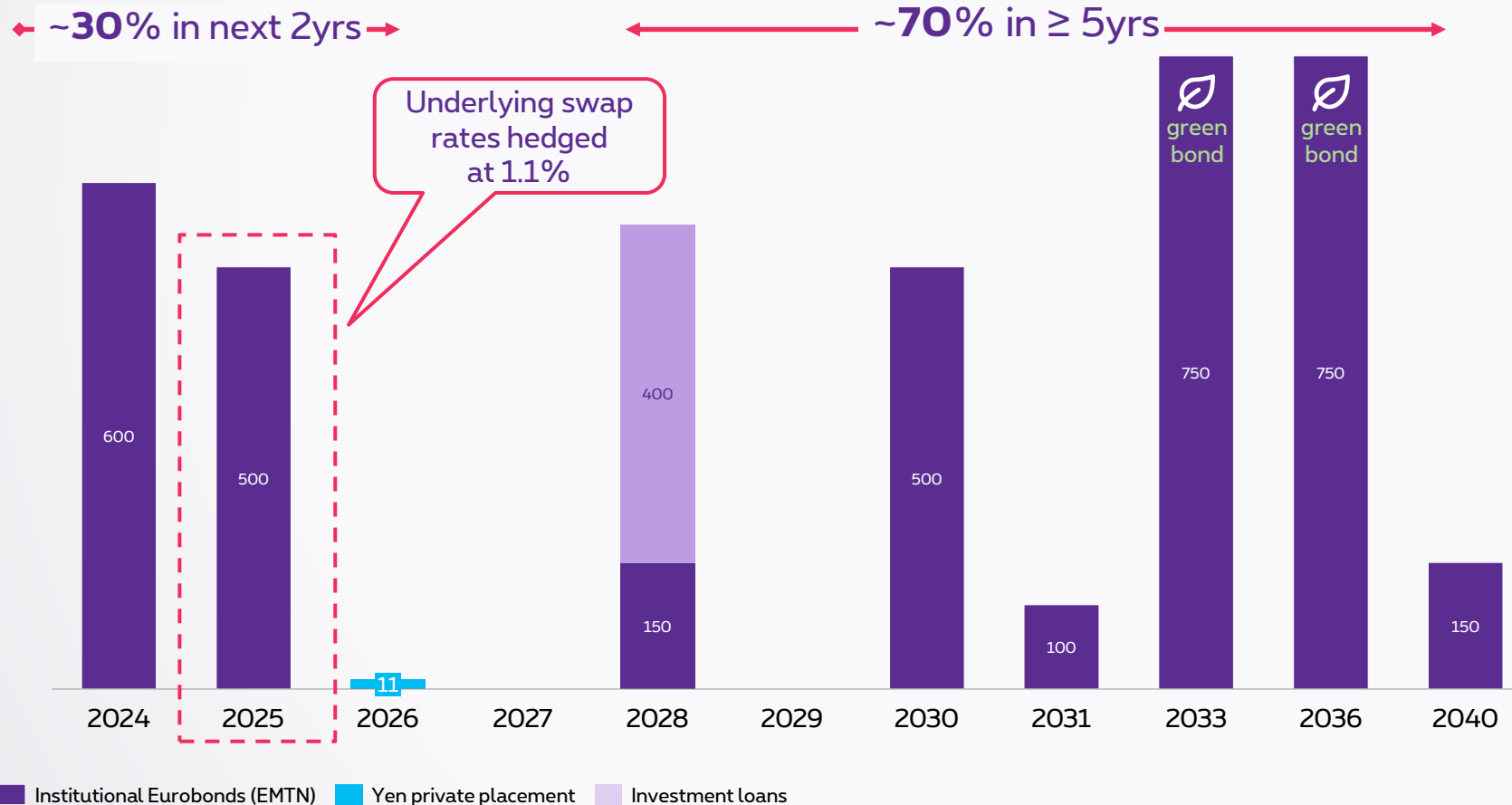


* Mainly remeasurement to fair value of cash flow hedge instrument for future LT debt, net of debt issuance and repayment

Managing maturity and average coupon

Successfully issued a new 10-year green bond for 750M€ at an effective interest rate of 2.45% thanks to pre-hedging instruments

Debt maturity schedule (M€)



Credit ratings

S&P BBB+ (stable outlook)

Moody's A2 (stable outlook)

2.4 %

Weighted average
coupon(long-term only)

7 Yr

Weighted average debt
duration (long-term only)

Shareholder structure

Status 31/12/2023

Total number of shares

338,025,135

Free-float

42%

Belgian Government

54%

Market Capitalization

~€ 2.9Bn

Dividend yield

~14.1%

	Number of shares	% shares	% Voting rights	% Dividend rights	Number of shares with voting rights	Number of shares with dividend rights
Belgian state	180.887.569	53,51%	56,07%	55,95%	180.887.569	180.887.569
Proximus own shares	15.401.433	4,56%	0,00%	0,21%	0	693.702
Free-float	141.736.133	41,93%	43,93%	43,84%	141.736.133	141.736.133
Total	338.025.135	100,00%	100,00%	100,00%	322.623.702	323.317.404

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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