Press release

Brussels, 25 October 2024, 7.00 CET – Regulated information

Proximus Group financial results – Third quarter 2024

Proximus raises its full-year guidance for the second time this year, supported by another quarter of strong domestic operational and financial results.

- **Strong Domestic commercial performance sustained in Q3: Mobile postpaid +47,000, Internet +9,000, convergent customers +13,000, net loss in TV base contained, -13,000.**
- **Now reached 2.1 million fiber homes passed, 40% Coverage in the Street.**
- **Domestic revenue +1.5%, with Services revenue of Residential unit up by +3.0% and Business unit -0.5% YoY.**
- **Domestic EBITDA +1.3% YoY driven by +1.8% growth in direct margin while cost headwinds further moderated.**
- **International EBITDA +4.2% pro forma, driven by +4.1% Communications & Data direct margin and cost efficiencies.**
- **Proximus Group Q3'24 underlying revenue +0.2% YoY pro forma, underlying EBITDA of EUR 480 million, +1.6% pro forma.**
- **CapEx at EUR 874 million YTD, adjusted FCF at EUR 48 million YTD including in-quarter FCF of EUR 161 million.**
- **Further upgrading FY'24 guidance supported by another quarter of strong Domestic operational and financial results.**
- **Board of Directors approved interim dividend of EUR 0.50 per share, payable on 6 December 2024.**

Read the full Q3 Financial Report here

- Proximus' Domestic segment closed the third quarter of 2024 with continued strong growth in Mobile Postpaid, +47,000 net adds, including +44,000 for the Residential unit. Proximus' Fiber footprint crossed the 2 million mark with 2,081,000 homes and businesses passed end-September 2024, supporting a continued robust growth for its Internet base (+9,000). Residential convergent offers grew by +13,000 customers to a total of 1,157,000, a +5.8% year-on-year increase. End- September 2024, the number of active Residential and Business Fiber lines totaled 519,000, of which +38,000 were added during this past quarter. The customer base for TV and Fixed Voice sees continued erosion, down respectively by -13,000, and -35,000 subscriptions.
- Proximus' third quarter 2024 Domestic underlying revenue was up by +1.5% to EUR 1,191 million. The Residential unit posted a +3.1% revenue increase, including a +3.0% growth in Customer Services revenue reflecting the strong commercial net adds performance whilst sequentially growth moderates because of the annualization of a price indexation. Convergent revenue was up +6.9%, driven by further customer growth and the January 2024 inflation-based price adjustment. The Business unit revenue was down by -1.2% year-on-year, including EUR -10 million lower IT product revenue. Business services revenue was -0.5% lower, reflecting an annualizing price indexation and some Vlaamse Overheid revenue loss. As a result, the lower revenue from Fixed Voice (-6.5%) and Mobile Services (-3.6%), outpaced the good performance of Fixed Data (+1.3%) and IT Services (+4.4%). Proximus' Wholesale unit posted an overall +3.3% revenue increase supported by Wholesale Services revenue, +21.5% driven by higher roaming volumes. Low margin interconnect revenue was down EUR -6 million year-on-year.
- The third-quarter 2024 Domestic EBITDA totaled EUR 429 million, a +1.3% increase from the same period in 2023. The improvement from the previous year reflects the higher direct margin, up by +1.8%, and ongoing company-wide cost efficiencies more than offsetting the moderating inflationary cost increase.
- On pro forma basis, the Proximus International Segment revenue declined -2.3% (-0.9% in constant currency) to EUR 468 million, primarily related to low margin legacy Voice headwinds and the ongoing CPaaS transition from SMS to OTT solutions, partially offset by the uptake in CPaaS Omnichannel solutions, Mobility and IoT services at higher margin. On pro forma basis, the Proximus International segment[1] posted for the third quarter 2024 a +2.3%

[1] International segment includes Proximus Group international affiliates BICS, Telesign and Route Mobile as from 1 May 2024. More information in section 4 of the Q3 investor report.

year-on-year **direct margin growth to EUR 124 million (+3.5% in constant currency).** The **International segment EBITDA was EUR 51 million, up by +4.2%**.

- In aggregate, the Proximus **Group underlying revenue totaled EUR 1,638 million** for the third quarter of 2024, **up +0.2% pro forma** (+7.3% reported), driven by an increase in Domestic revenue. The underlying **Group EBITDA totaled EUR 480 million, a year-on-year increase by +1.6% pro forma** (+4.8% reported).
- **The Proximus Group CapEx for the first nine months of 2024 totaled EUR 874 million**, EUR 30 million below the comparable period in 2023. This mainly reflects the lower CapEx needed for Proximus' fiber build in the dense areas, while the Fiber deployment in medium-dense areas is picking up. Customer related CapEx to connect and activate Fiber customers was up year-on-year. Moreover, the Mobile network (RAN) consolidation is ongoing, led by the created joint-operation Mwingz, with CapEx incurring in line with the pace of the mobile site consolidation.
- For the third quarter 2024 Proximus Group adjusted FCF was EUR 161 million, bringing the **9-month FCF at EUR 48 million when adjusting for M&A related cash-out** (EUR -728 million including Route Mobile and Fiberklaar acquisition costs). This compares to EUR -35 million adjusted FCF for the same period in 2023. The year-on-year improvement mainly reflects the higher EBITDA, lower equity injections and lower cash-out related to investments over the first nine months, partially offset by year-to-date higher business working capital needs.
- The Capital structure was supported by successfully completing the mandatory sell-down of 8% of Route Mobile shares with c. EUR 90 million of gross proceeds for Proximus OPAL, and the issuance of a EUR 700 million hybrid bond in October. Concrete progress was made on the Asset Sales ambition with the agreement on Data centers signed 25 October 2024, for a total of EUR 128 million.

Guillaume Boutin, CEO of the Proximus Group:

"I'm pleased to share our strong third quarter 2024 financial and operational results, which support a new upward revision of our full-year guidance. We also continued making strategic progress on several fronts: Domestically, besides the ongoing Fiber collaboration negotiations, we have reached an agreement to sell our datacenter business. Internationally, we signed several new global customer agreements that will be supporting our international digital communication ambitions."

"Domestically, our Residential unit continues to perform very well in spite of an intense competitive market, with B-brands adjusting mobile pricing in anticipation of the newcomer on the Belgian market. Thanks to our top-tier gigabit networks, and our multi-branded competitive offering, we successfully expanded our postpaid customer base by 44,000 over the third quarter. At the same time, we further grew our residential internet base in a seasonally slower quarter, adding 9,000 subscriptions. For our Business unit, we achieved further growth in IT and Fixed Data services, partially offsetting the headwind from some IT product volatility and the contract loss of the Vlaamse Overheid in 2023.

*Being the cornerstone of our Domestic strategy, we continued to strengthen our leadership in fiber deployment by **further expanding our Fiber footprint.** In Q3 we **crossed the 2 million milestone**, with end-September passing a total of 2,081,000 homes with Fiber. This includes an additional 98,000 homes passed this quarter, across the 167 cities in which our Fiber build is actively ongoing. Our footprint, combined with that of our partners, brings **Fiber in the Street to c.40%** of the Belgian population.*

*Our top-tier networks, both Fixed and Mobile, continued to drive a strong commercial momentum. This along the support of our January 2024 price indexation, resulted in a year-on-year **Domestic revenue growth of 1.5% and a Domestic EBITDA increase of 1.3%**. As these results outpace our expectations, we are **lifting our outlook for the year.***

*For the **Proximus International segment we announced the completion of the mandatory sell-down of c.8% in Route Mobile, at a slight premium versus our entry price,** to comply with the minimum public holding requirements. We were very pleased with the strong interest of large long-only investors, leading to gross proceeds of around EUR 90 million in total for Proximus Opal and results in a final ownership of Proximus OPAL in Route Mobile of 74.90%.*

Furthermore, the past few months have been focussed on further optimizing the collaboration of our 3 International brands. The signing of some major strategic customer agreements underlines our increasing relevance in these global digital communication markets. In September, we reinforced our strategic collaboration with Infosys, leveraging the strengths of Route Mobile and Telesign's CPaaS and Digital Identity solutions. This partnership will unlock new business opportunities and enhance customer experience by driving innovation in omnichannel customer engagement and AI-driven digital assistants. This, along the agreement signed with Microsoft end-Q2, will be supporting our International financial ambitions. In the third quarter 2024, the ***International segment direct margin was up by 2.3% and posted a 4.2% increase in EBITDA on pro forma basis.***

Overall, as we head into the final quarter of the year, with no meaningful impact from market structure changes expected in the remainder of this year, we further ***raise our growth expectations: Domestic Revenue expected to grow up to 3%, Domestic EBITDA to grow up to 3%, and Group EBITDA to grow by up to 3%****;. This despite the consolidation of Fiberklaar having a limited negative EBITDA impact for 2024.*

We are pleased to announce we have ***signed an agreement with Belgium-based Datacenter United for the sale of our datacenter business****. While customers will continue to benefit from state-of-the-art datacenter infrastructure, with data stored in Belgium and managed by an expert partner, Proximus will continue to pursue its hybrid cloud strategy and further sharpen its focus on delivering value added services to customers as an IT integrator. T****his transaction will bring close to EUR 130 million of proceeds*** *and fits our goal of monetizing assets as part of our EUR 500 million asset divestment plan. We anticipate the closing of this transaction by Q1 2025.*

As a final point, I'm pleased to announce that the ***Proximus Board of Directors has approved the payment of the interim dividend*** *over the result of 2024 for an amount of EUR 0.50 gross per share, in line with our 3-year remuneration policy"* proximus

Key figures

Operationals ('000)	Net adds in the quarter			Park at end of quarter		
	2023	2024	% Change	2023	2024	% Change
Fiber						
Homes Passed	96	98		1,579	2,081	31.8%
Activated retail lines	31	38		353	519	47.0%
Residential customers						
Convergent	16	13		1,094	1,157	5.8%
Group (subscriptions/SIM cards)						
Internet	11	9		2,251	2,300	2.2%
TV	-12	-13		1,682	1,637	-2.7%
Fixed Voice	-37	-35		1,690	1,538	-9.0%
Mobile Postpaid (excl. M2M)	60	47		4,935	5,065	2.6%
M2M	40	32		4,221	4,330	2.6%
Prepaid	-14	-18		568	491	-13.6%

Financials (EUR million)	3rd Quarter			Year-to-date		
	2023	2024	% Change	2023	2024	% Change
Group Revenue (underlying)	**1,527**	**1,638**	**7.3%**	**4,508**	**4,740**	**5.1%**
of which Domestic	1,173	1,191	1.5%	3,469	3,591	3.5%
of which International	370	468	26.3%	1,089	1,199	10.1%
Group direct margin (underlying)	**980**	**1,022**	**4.3%**	**2,878**	**3,032**	**5.4%**
of which Domestic	885	900	1.8%	2,603	2,703	3.9%
of which International	97	124	27.6%	286	337	17.7%
Group Expenses (underlying)	**-522**	**-542**	**3.9%**	**-1,541**	**-1,619**	**5.0%**
of which Domestic	-461	-472	2.2%	-1,359	-1,413	4.0%
of which International	-62	-73	16.7%	-193	-213	10.2%
Group EBITDA (underlying)	**458**	**480**	**4.8%**	**1,336**	**1,413**	**5.7%**
as % of revenue	**30.0%**	**29.3%**	**-0.7 p.p.**	**29.6%**	**29.8%**	**0.2 p.p.**
of which Domestic	423	429	1.3%	1,244	1,290	3.7%
of which International	35	51	47.2%	93	124	33.4%
Group EBITDA (reported)	**453**	**598**	**32.0%**	**1,345**	**1,549**	**15.1%**
Net income	**79**	**185**	**>100%**	**267**	**377**	**40.9%**
Accrued CapEx (excl. spectrum & football rights)	**293**	**289**	**-1.3%**	**904**	**874**	**-3.3%**
FCF (adjusted)	**64**	**161**	**>100%**	**-35**	**48**	**>100%**
Adjusted net fin position (excl. lease liabilities)	**n.r.**	**n.r.**		**-3,046**	**-4,547**	**-49.3%**

- Group revenue, direct margin, Operating Expenses and EBITDA include intersegment eliminations
- Adjusted FCF excludes M&A impacts but includes Fiber equity injections.

Key financials on pro forma basis

Financials (EUR million)	3rd Quarter Pro forma* 2023	2024	% Change	Year-to-date Pro forma* 2023	2024	% Change
Group Revenue (underlying)	**1,635**	**1,638**	**0.2%**	**4,688**	**4,740**	**1.1%**
of which Domestic	1,173	1,191	1.5%	3,469	3,591	3.5%
of which International	479	468	-2.3%	1,270	1,199	-5.6%
Group Direct Margin (underlying)	**1,004**	**1,022**	**1.8%**	**2,917**	**3,032**	**3.9%**
of which Domestic	885	900	1.8%	2,603	2,703	3.9%
of which International	121	124	2.3%	326	337	3.4%
Group Expenses (underlying)	**-532**	**-542**	**2.0%**	**-1,557**	**-1,619**	**4.0%**
of which Domestic	-461	-472	2.2%	-1,359	-1,413	4.0%
of which International	-72	-73	1.0%	-209	-213	1.9%
Group EBITDA (underlying)	**472**	**480**	**1.6%**	**1,360**	**1,413**	**3.9%**
as % of revenue	**28.9%**	**29.3%**	**0.4 p.p.**	**29.0%**	**29.8%**	**0.8 p.p.**
of which Domestic	423	429	1.3%	1,244	1,290	3.7%
of which International	49	51	4.2%	117	124	6.0%
Group EBITDA (reported)	**468**	**598**	**27.9%**	**1,369**	**1,549**	**13.1%**
Net income	**93**	**185**	**98.2%**	**291**	**377**	**29.4%**
Accrued CapEx (excl. spectrum & football rights)	**294**	**289**	**-1.8%**	**907**	**874**	**-3.6%**

*As of May 2023, figures include the Route Mobile consolidation impact

- Group revenue, Direct margin, Operating Expenses and EBITDA include intersegment eliminations

2024 full-year guidance

Based on the strong first nine months of 2024, and its estimation for the remainder of the year, Proximus Group increases its guidance for the full year 2024. For the Domestic segment both revenue and EBITDA are expected to grow up to 3%, despite the consolidation of Fiberklaar having a limited negative EBITDA impact for 2024. For the International segment, it's expected to end the year 2024 with mid-single Direct Margin growth. Overall, for the Proximus Group, EBITDA is expected to grow up to 3% on pro forma basis.

The estimated Group CapEx remains unchanged at around EUR 1.36 billion for 2024, including the CapEx for Fiberklaar. The Net debt / EBITDA ratio for 2024 is expected to be around 3.1X.

Guidance metric	FY24 Outlook 23/02/2024	FY24 Outlook 26/07/2024	FY23 Pro forma	YTD24 Actuals	FY24 Outlook 25/10/2024
Underlying Domestic revenue	Growing up to 1%	Growing up to 2.5%	4,665M€	+3.5% YoY	**Growing up to 3%**
Domestic underlying EBITDA	Growing up to 1%	Growing up to 2.0%	1,636M€	+3.7% YoY	**Growing up to 3%**
International Direct Margin at constant currency	-	Mid-to-high single digit growth	445M€	+3.9% YoY	**Mid-single digit growth**
Underlying Group EBITDA	Growing up to 1%	Growing up to 2.5%	1,795M€	+3.9% YoY	**Growing up to 3%**
CapEx (excluding Spectrum & football rights)	Around 1.2bn€	Around 1.36bn€	1,329M€	874M€	**Around 1.36bn€**
Net debt / EBITDA (As per S&P definition)	Around 2.7x	Around 3.1x	2.6x	NR	**Around 3.1x**

Shareholder return

In line with the Capital Markets Day announcement in January 2023, **Proximus rebases its dividend level to EUR 0.60 per share for the years 2024 and 2025.** The rebased dividend level incorporates all currently known macro and inflationary headwinds, recently closed M&A transactions (Route Mobile and Fiberklaar), as well as expected changes in market structure. The proposed dividend is reviewed and submitted to the Board of Directors on an annual basis, in order to keep strategic financial flexibility for future growth, organically or via selective M&A, with a clear focus on value creation. This also includes confirming appropriate levels of distributable reserves.

The **dividend of EUR 0.60 per share over the result of 2024** will be returned in two tranches. The gross interim dividend of EUR 0.50 per share is payable on 6 December 2024, with the remaining normal gross dividend of EUR 0.10 per share payable in April 2025.

More information on www.proximus.com/press

Press Relations department: +32 2 202 44 44

Haroun Fenaux
+32 476 60 03 33

Fabrice Gansbeke
+32 472 050 702

E-mail: press@proximus.com

Investor Relations: +32 2 202 82 41
investor.relations@proximus.com

About Proximus

Proximus Group (Euronext Brussels: PROX), headquartered in Brussels, is a provider of future-proof connectivity, IT and digital services, operating in the Benelux and global markets. The Group is actively engaged in building a connected world and in ensuring the trustworthiness, security and sovereignty of digital services, to the benefit of society.

Proximus has the ambition to build the #1 gigabit network for Belgium and plays a central role in creating inspiring digital ecosystems, while fostering an engaging culture and empowering ways of working. Building upon these strengths, Proximus aims to contribute to an inclusive and sustainable digital society, delight customers with an unrivalled experience and achieve profitable growth both locally and internationally to deliver long-term value for stakeholders.

In Belgium, Proximus' core products and services are offered under the Proximus, Mobile Vikings, Scarlet and Proximus NXT brands. The Group is also active in Luxembourg (Tango and Proximus NXT) and in the Netherlands (Proximus NXT). The Group's international carrier activities are managed by BICS, a leading international communications enabler, one of the key global voice carriers and the leading provider of mobile data services worldwide. With Telesign and Route Mobile, the Group also encompasses fast-growing leaders in digital communications and digital identity, serving the world's largest internet brands, digital champions and cloud native businesses.

With 11,654 employees, imbued with Proximus' Think Possible mindset and all engaged to offer a superior customer experience, the Group realized an underlying Group revenue of EUR 6,042 million end-2023.

For more information, visit www.proximus.com & www.proximus.be.