

# Proximus Group

## Results presentation

### Q3 2018

---



November 2018

# Key achievements Q3

Increasing customer base in highly competitive market. +1.4% underlying Group EBITDA growth.

+32,000

Mobile postpaid  
cards

+38,000

Tuttimus & Bizz  
all-in

+1.0% YoY

Domestic  
Direct Margin

+1.1% YoY

Domestic  
EBITDA

+8,000

Fixed internet  
customers

+11,000

TV customers

 bics

DM + 14.5% YoY  
EBITDA + 4.8% YoY

€ 349<sub>m</sub>

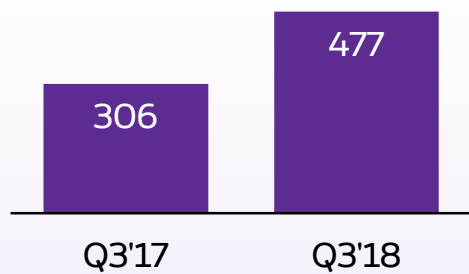
FCF YTD'18  
(€395m excl. acquisitions)

# Supporting upselling strategy

Average revenue per household slightly up on uptake of All-In offers

## Strong uptake of all-in offers.

Tuttimus/Bizz All-in subscribers in '000



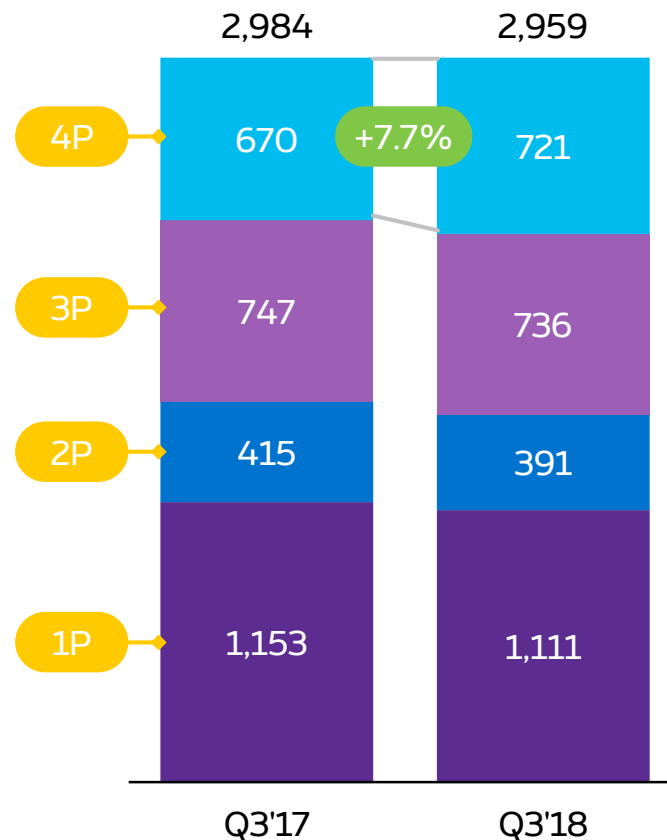
## Increasing 4-Play HH/SO



@ARPH of €111.8

and full churn of 3.4%

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



## Average revenue per Household (incl. small offices)



+



scarlet

**+51K**

4-Play Households YoY

**2.76**

RGU's per HH +2.5% YoY

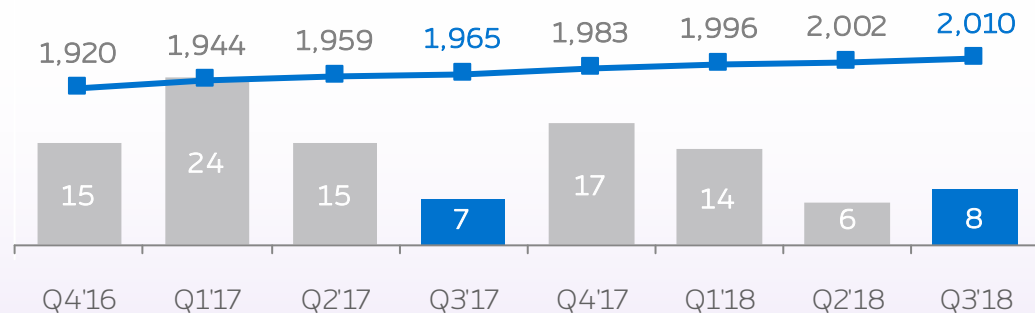
# Growing Internet/TV customer base

Adding customers in competitive market, supported by dual brand strategy and Back-to-School campaign

## Broadband

in '000

Net adds Park

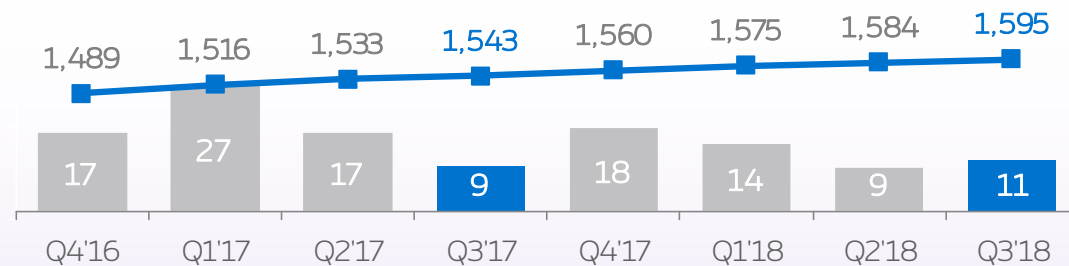


**+45K**  
lines YoY  
**+2.3%**

## TV

in '000

Net adds Park

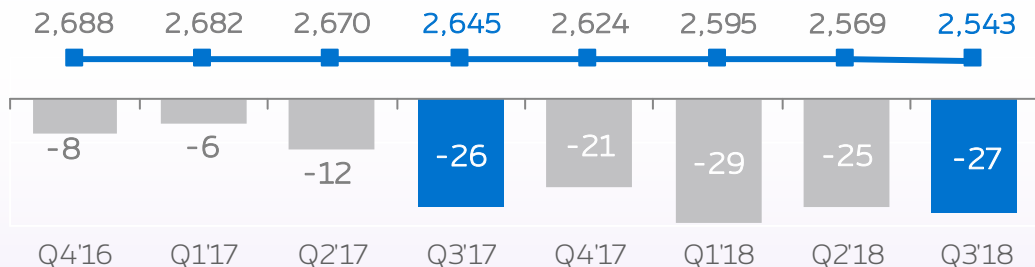


**+52K**  
customers YoY  
**+3.4%**

## Fixed Voice

in '000

Net adds Park

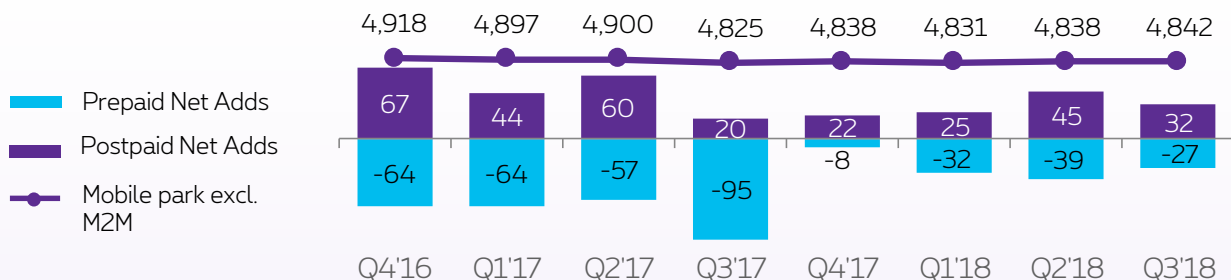


**-102K**  
lines YoY  
**-3.9%**

# Mobile postpaid customer gain

+32,000 Postpaid cards in competitive mobile market

## Mobile Cards Park (K) (excl. M2M)



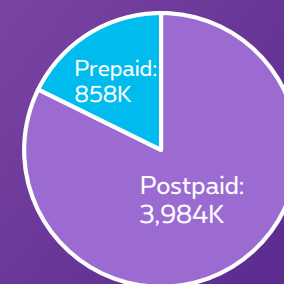
**Postpaid**  
**+124K** YoY

i.e. **+3.2%**

**Prepaid**  
**-106K** YoY

i.e. **-11.0%**

# Mobile cards:  
4,842K end-Sep'18



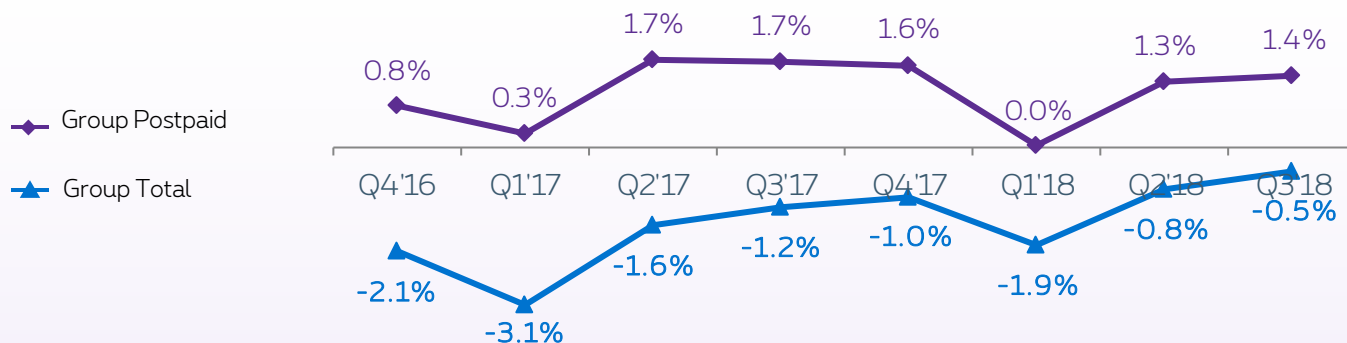
Smartphone  
penetration

**76%**

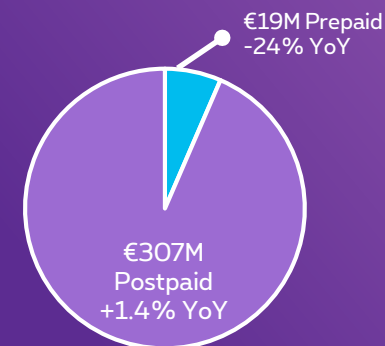
+5.0pp YoY



## Mobile service revenue (YoY trend)



Mobile service revenue:  
€ 326M in Q3'18



National Mobile  
Data usage  
(average /user/month)

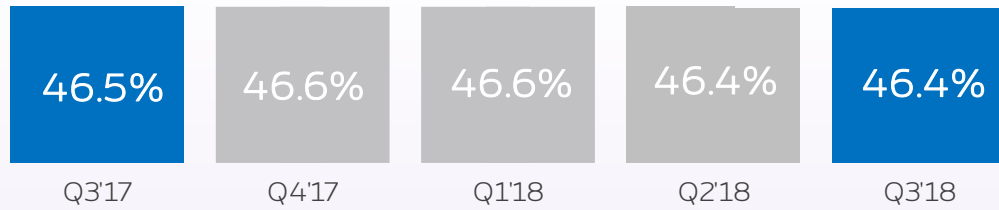
**1.9GB**

+42% YoY

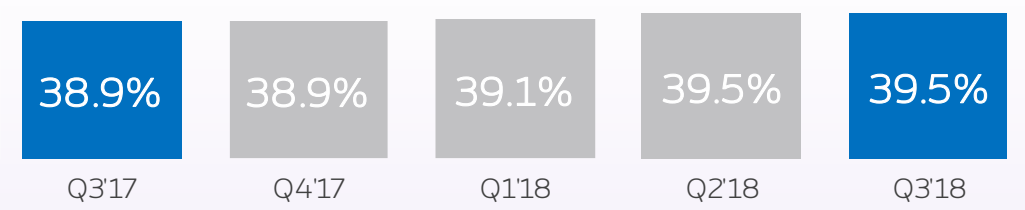
# Maintaining solid market position

Market shares for Data, TV and Mobile (Proximus + Scarlet)

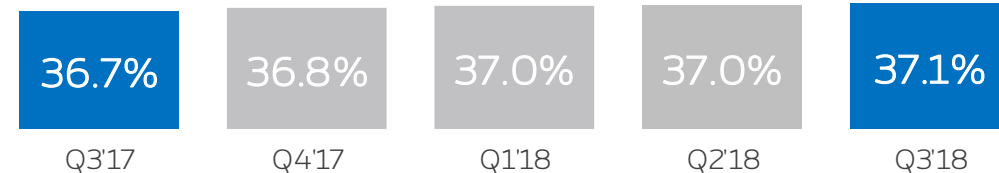
## Internet



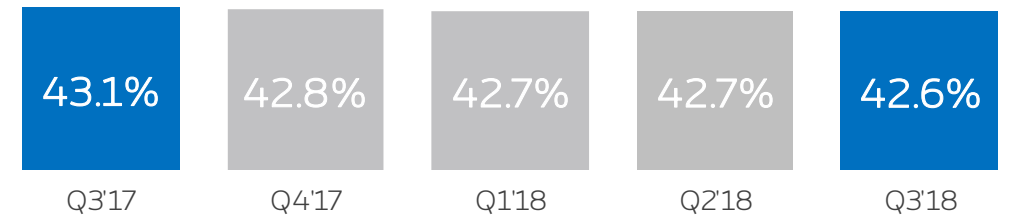
## Mobile Total



## TV



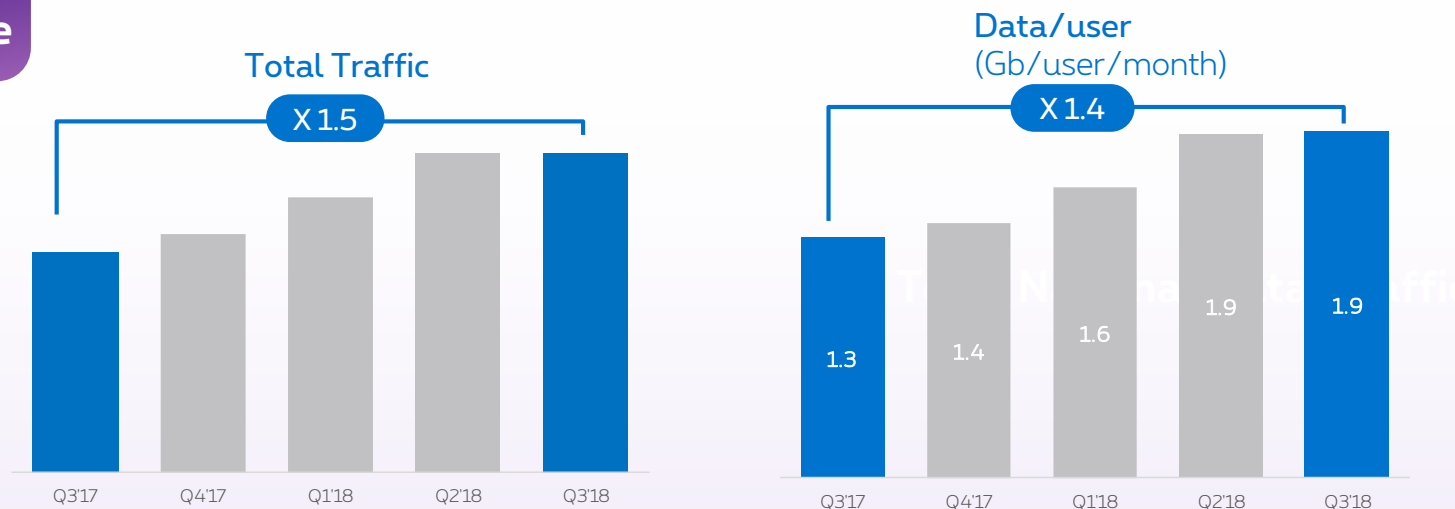
## Mobile Postpaid



# Mobile Data traffic

Usage for National Data and Roaming Data continued to grow  
Though EU Roaming below company expectations

## National data usage

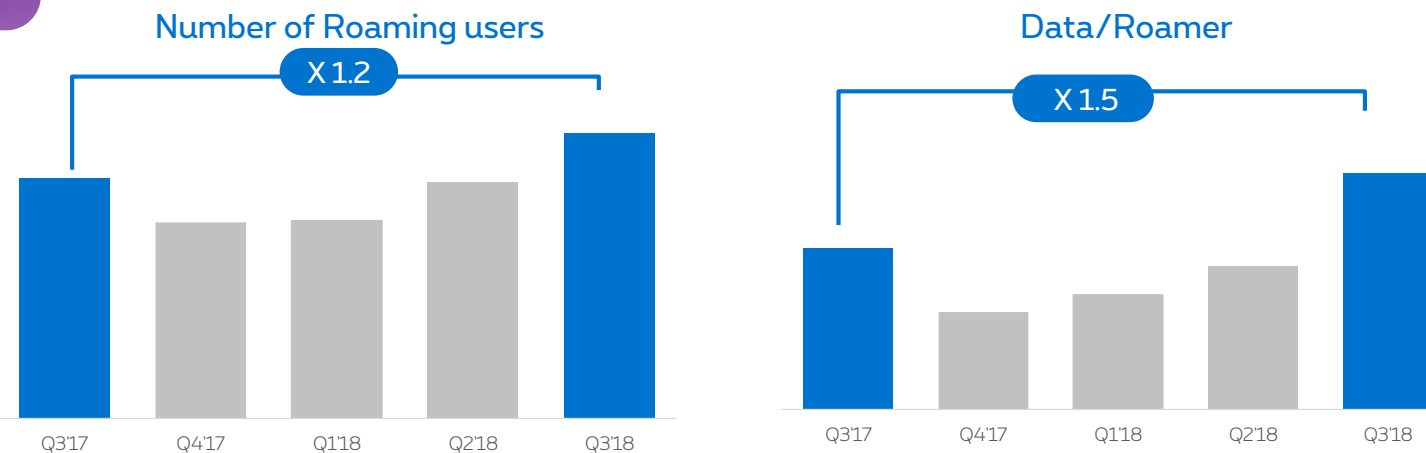


Total National Traffic

x**1.5**  
YoY

## Roaming data usage

(EU+ Non-EU)



Total Roaming Traffic

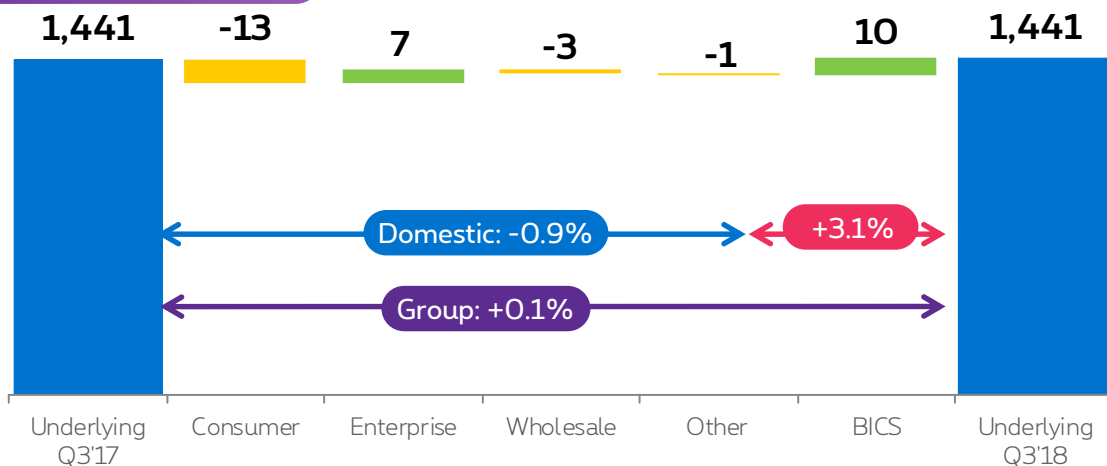
x**1.8**  
YoY



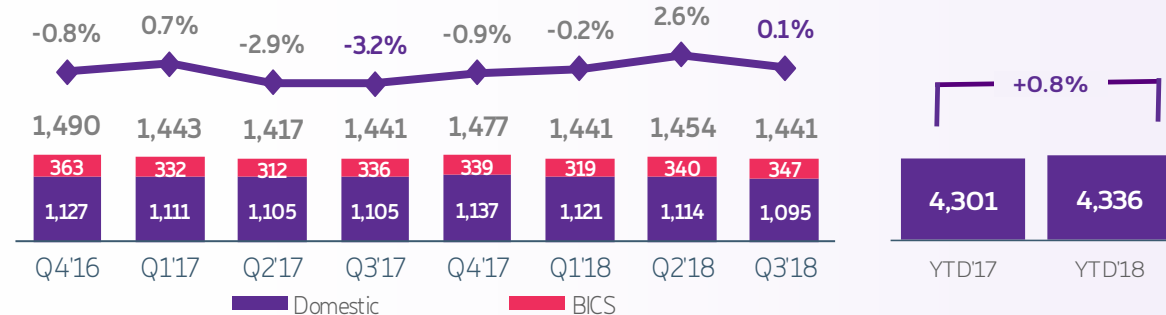
# Group Revenue stable YoY

Consumer revenue decrease driven by low margin mobile terminal sales and other revenue

By segment (M€)



By quarter (M€ & YoY%)



Domestic: -0.9% YoY to € 1,095m



**Consumer: -1.8% YoY**

- + Value accretive customer mix, 4P growing
- + Revenue growth for TV, Internet, and Mobile Postpaid
- Fixed Voice revenue erosion
- Loss in Mobile Prepaid revenue
- Mobile devices sales (no margin impact)
- Renewed collection process



**Enterprise: +2.2% YoY**

- + Growth in ICT (acquired cy), Advanced Business Services
- + Mobile Services
- Erosion legacy Fixed Voice



**Wholesale: -4.9% YoY**

- Roaming rates downwards negotiated (benefitting the Proximus Group margin)



**Q3'18 revenue: +3.1% YoY**

- + Growing A2P\* volumes, leading to non-Voice revenue growth of +27.0% (TeleSign)
- Voice revenue -5.0% YoY

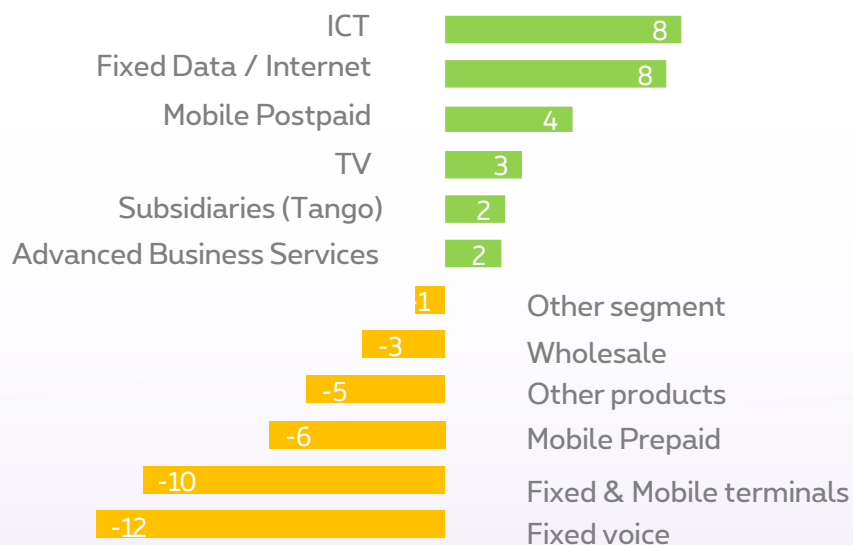
\*Application to Person



# Domestic revenue by product

## Q3

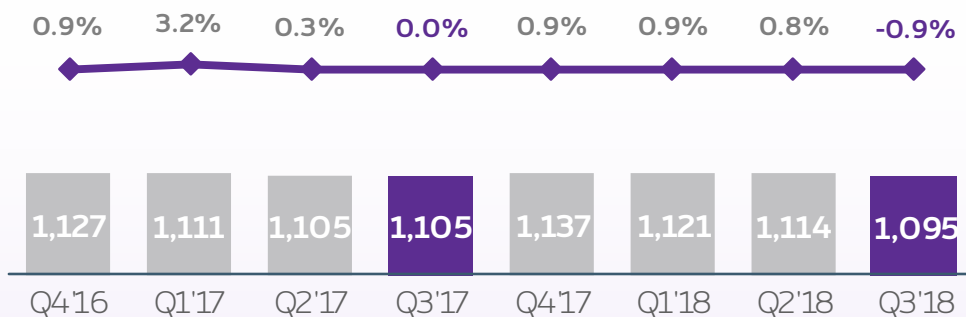
(YoY evolution M€)



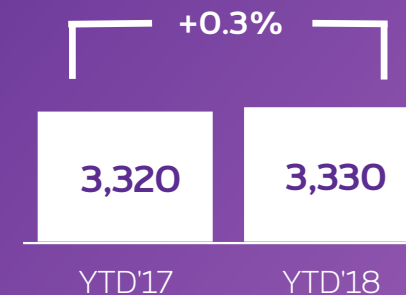
- Customer growth driving Internet, TV and Postpaid revenue increase
- ICT benefitting from acquired companies
- Lower Other revenue, impacted by renewed collection process to enhance customer experience
- Lower Mobile terminals, no margin impact

## Q's

(M€)



## YTD

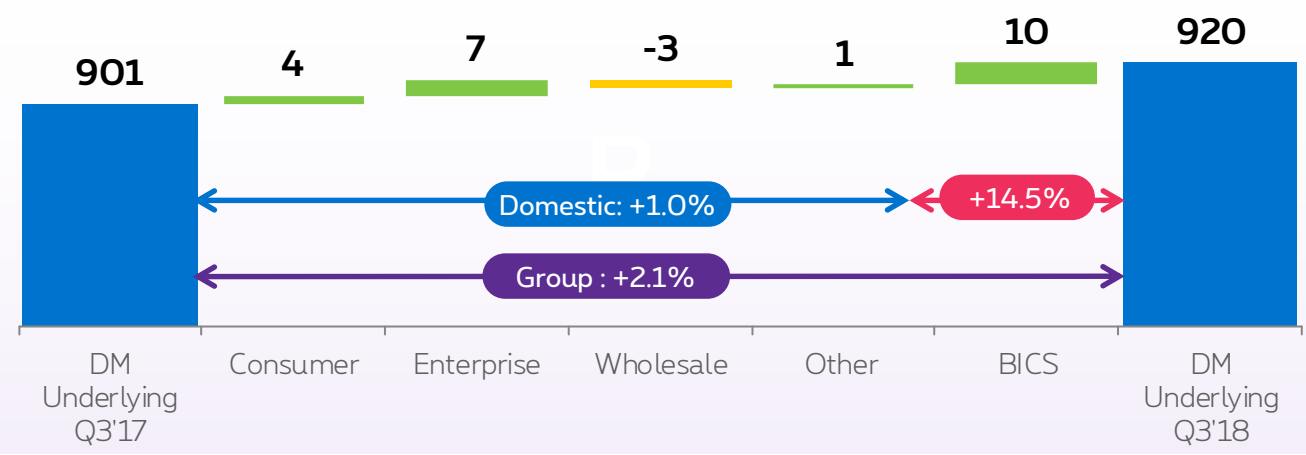


# Group direct margin +2.1%

Both Domestic and BICS posting positive direct margin for Q3

## Q3

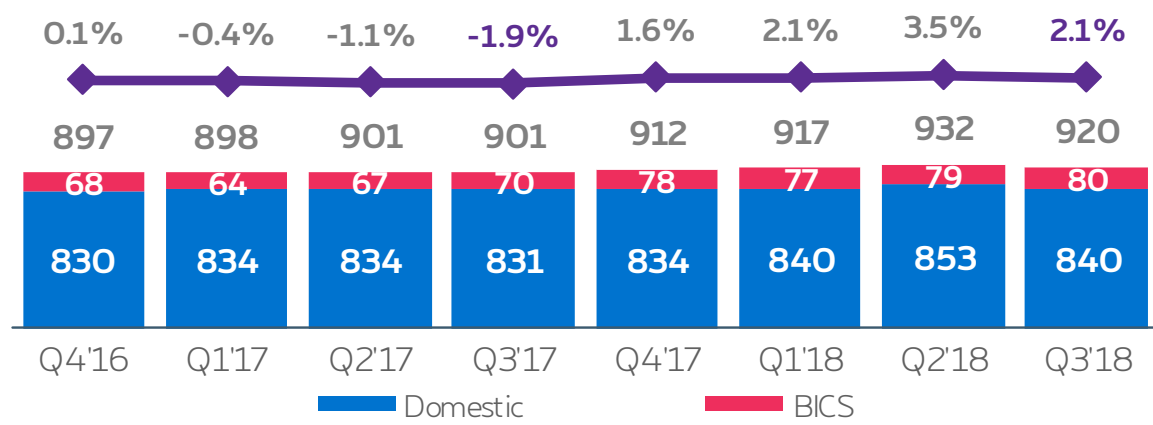
(M€)



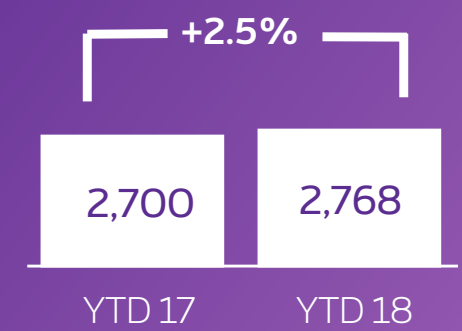
- Domestic up on growing customer base and acquired ICT companies
- BICS direct margin up 14.5% including TeleSign contribution
  - + Growing A2P volumes
  - + Direct cost synergies

## Q's

(M€)



YTD'18 Group direct margin up 2.5% in spite of € -27 m roaming regulation impact

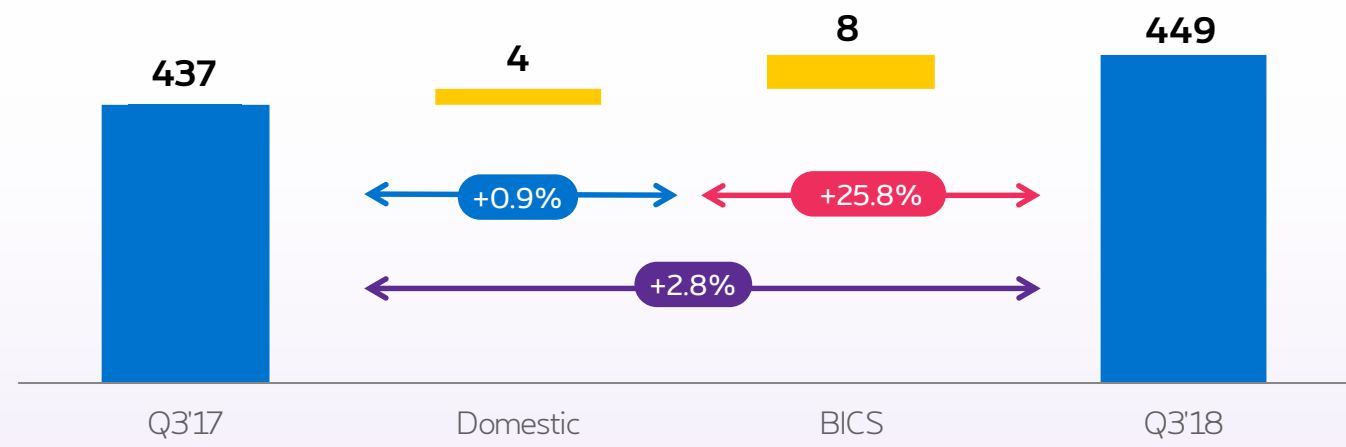


# Group expenses

+2.8% in Q3'18, slightly down excl. acquisition impacts

## Q3

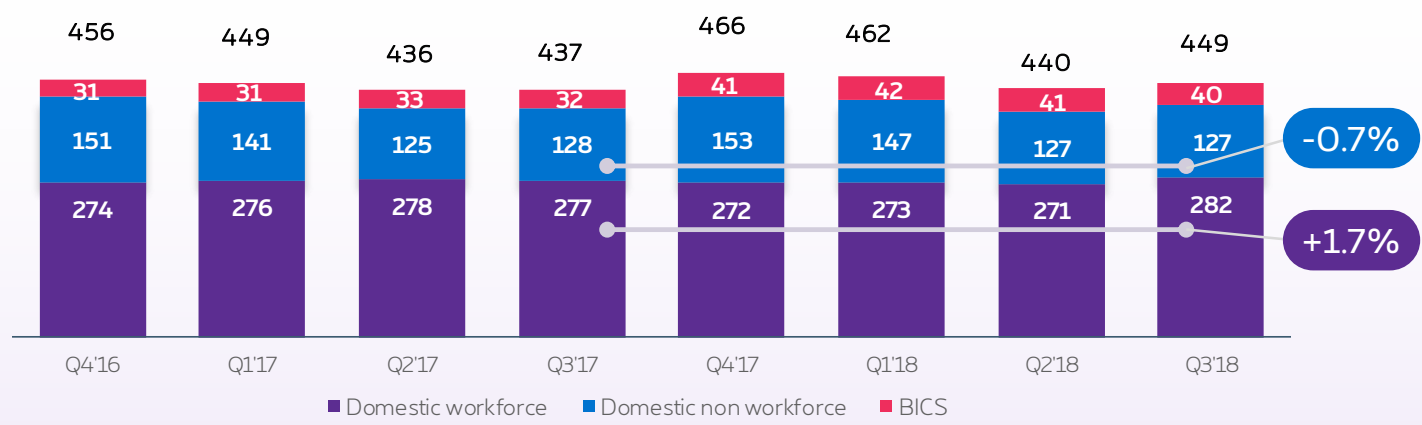
(M€)



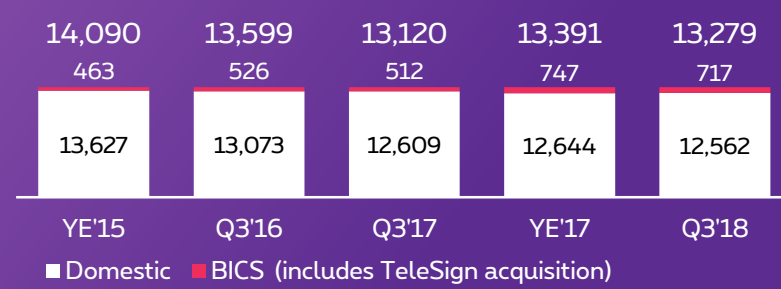
- Domestic expenses +0.9%, chiefly attributable to acquired ICT subsidiaries (+ 226 FTE's)
- BICS expenses €+ 8m YoY, mainly reflecting the acquisition of TeleSign (consolidated since November 2017, +206 FTE's)

## Q's

(M€)



FTE's:



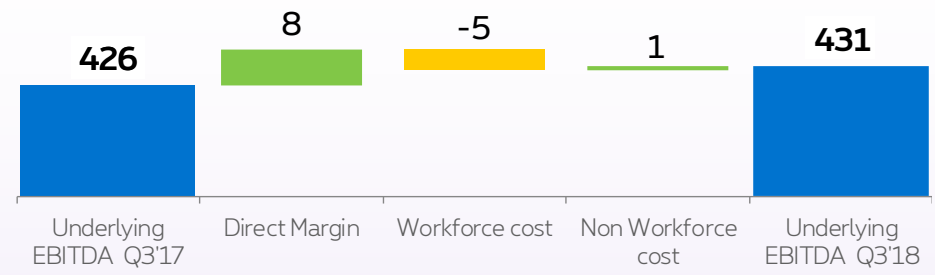
■ Domestic ■ BICS (includes TeleSign acquisition)

# Domestic EBITDA

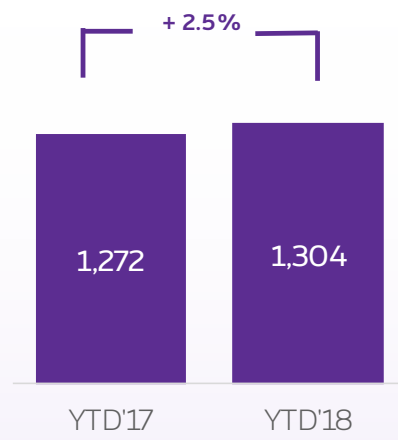
+1.1% YoY for Q3 driven by higher direct margin partially offset by higher expenses

## Q3

(M€)

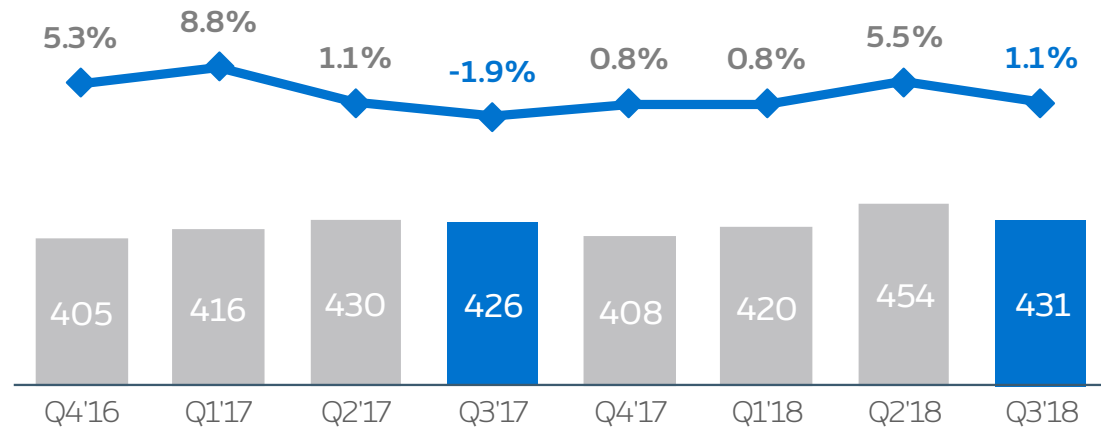


## YTD



## Q's

(M€)

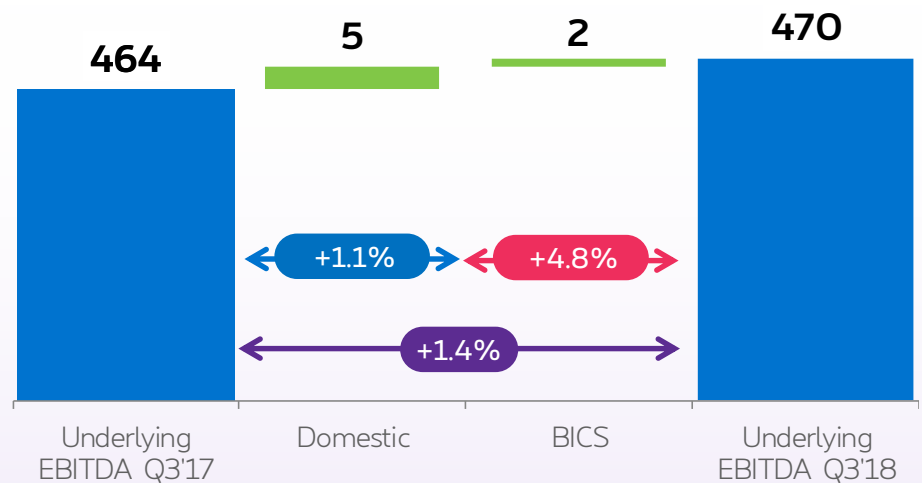


# Group EBITDA +1.4% YoY

Both Domestic operations and BICS showing progress from prior year

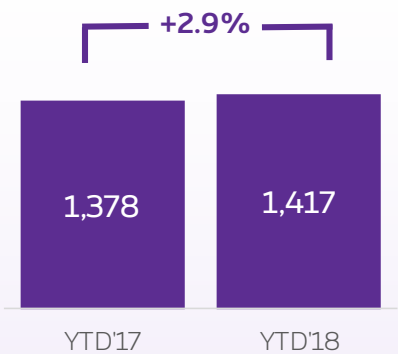
Q3

(M€)



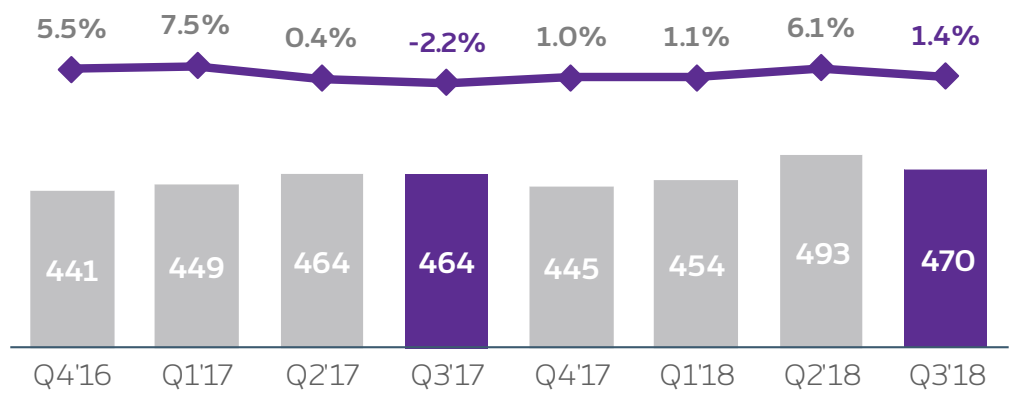
YTD

(M€)



Q's

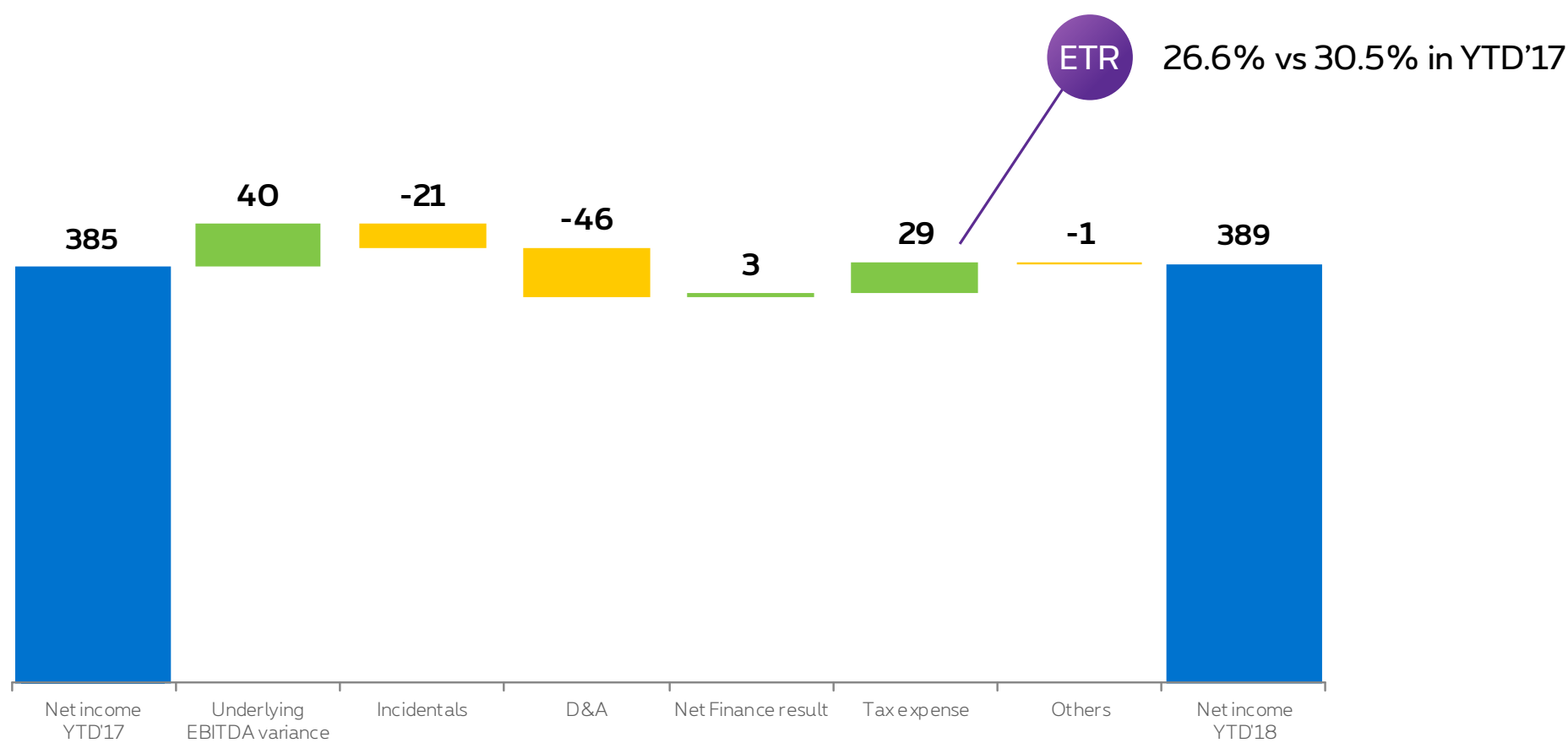
(M€)



# Net income (Group share)

€ 135m Net Income in Q3 leading to a total of € 389m YTD'18

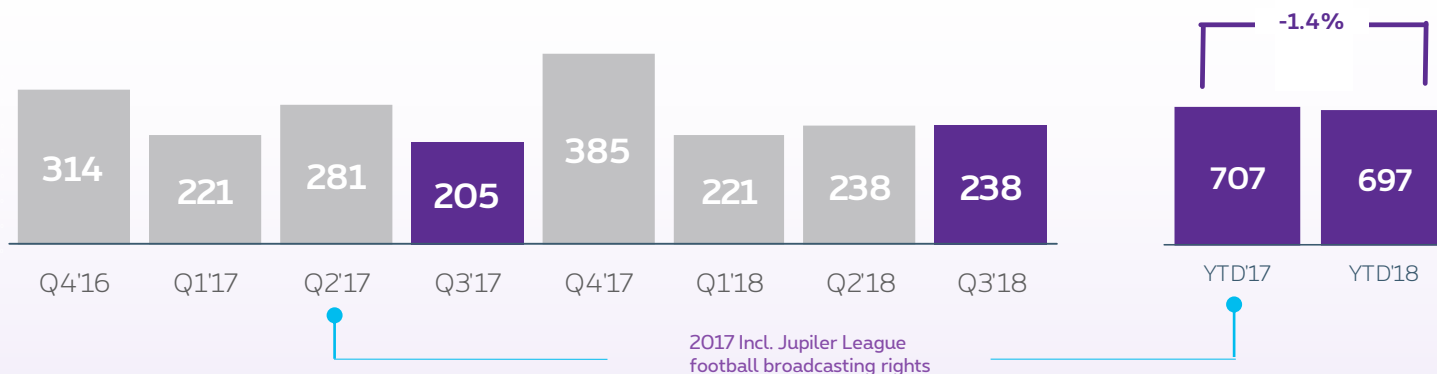
YTD  
(M€)



# € 697M capex YTD'18

On track for FY2018 estimate of around € 1bn

## Capex (M€)



Capex more equally spread over the year

### High-quality Mobile network

#### 4G pop coverage

outdoor 99.8%  
indoor 98.8%

+ Mobile sites to support traffic increase

+ 4.5G deployment

### TITAN Project

#### Proactively strengthening our transport network

Backbone of all voice, data & TV traffic



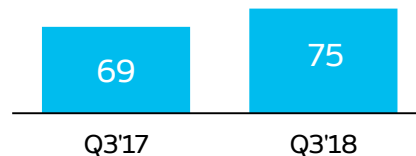
Data capacity  
x10

### Copper upgrade

#### 94% FttC, 87% vectoring

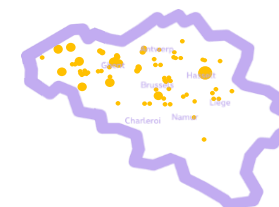
>50% 100 Mbps

Av. VDSL speed - Mbps  
Proximus customers



### Fiber build

#### FttH & FttB



### IT

#### Renewed & simplified IT systems

a.o. new Mass Market IT chain encompassing sales to ordering to billing

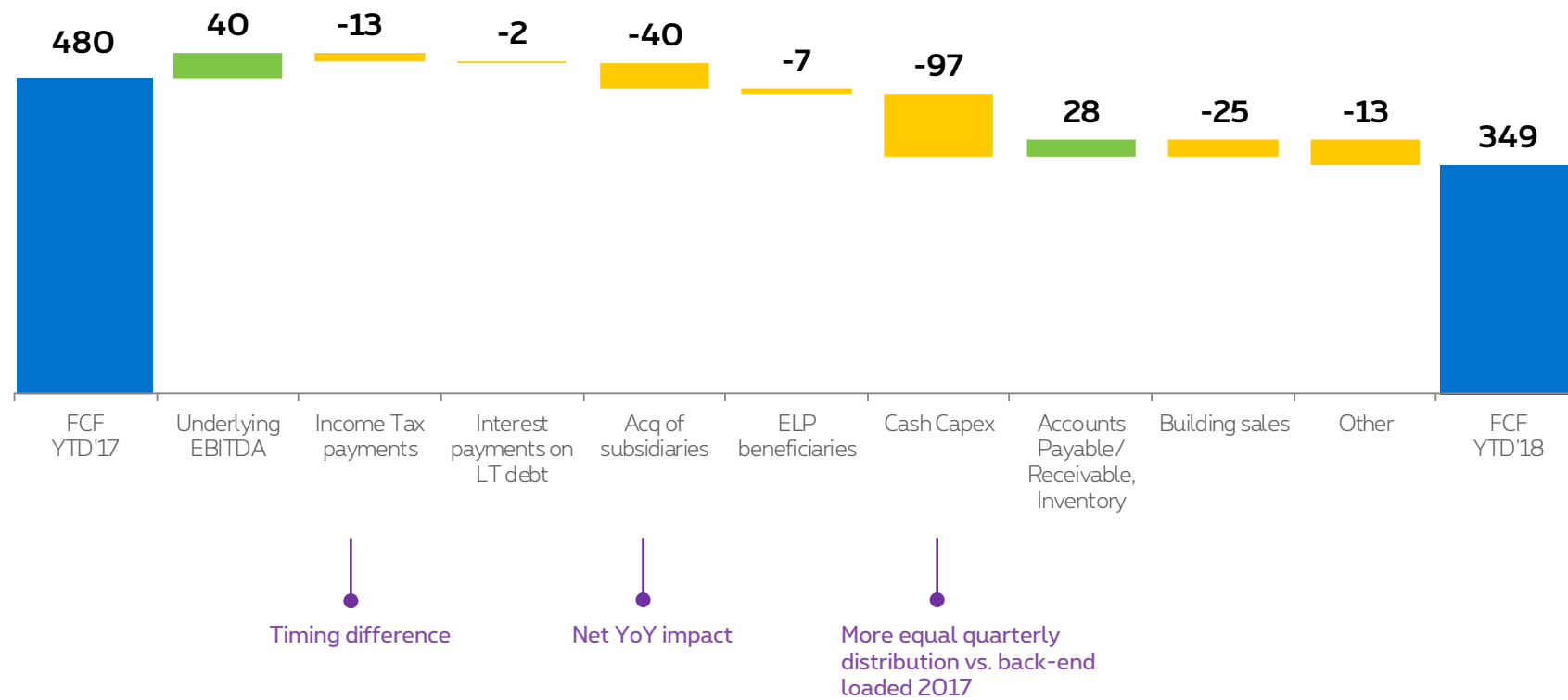


# FCF

€349M YTD'18, or € 395M excl. acquired ICT subsidiaries

YTD

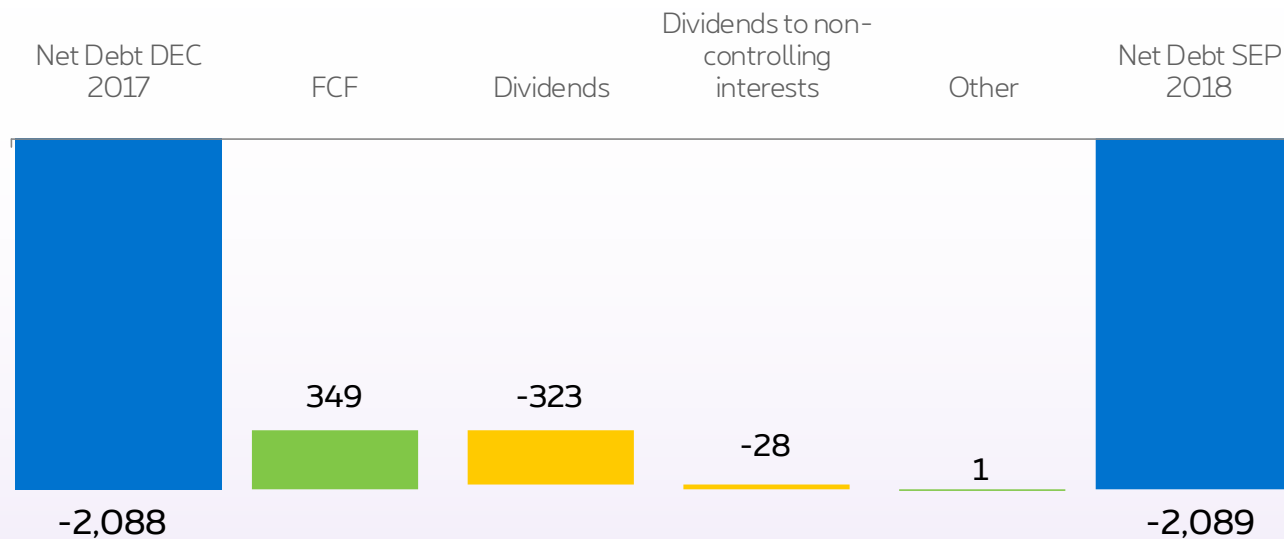
(M€)



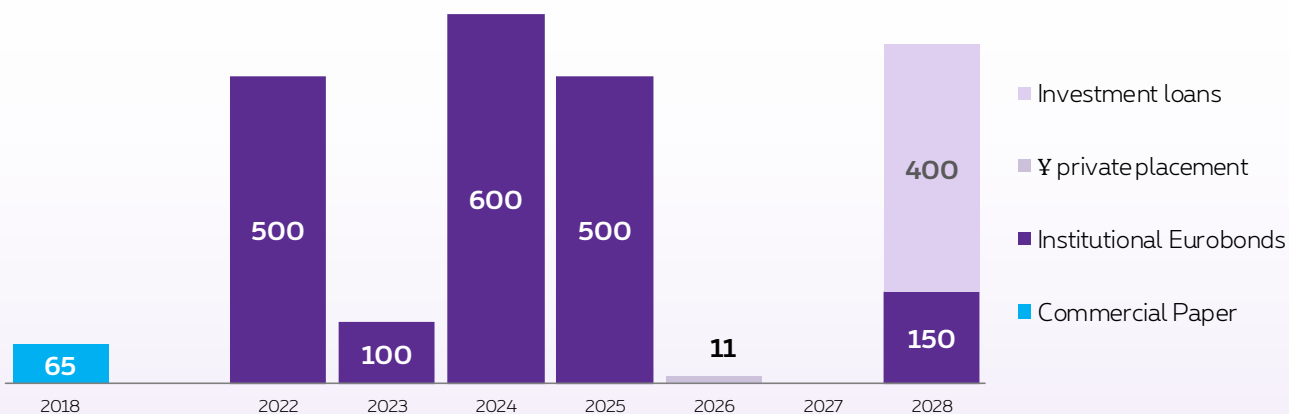
# Sound financial position

Proximus optimized it's long term debt

## Net Debt (YTD, M€)



## Debt maturity schedule (M€)



**6.2 Yrs**

Average debt duration

**1.78%**

Weighted average coupon

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

### Liquidity end Q3'18:

- €242m investments, cash & cash equivalents (incl. derivatives)
- EMTN Program €3,500m (€1,850m outstanding)
- Committed credit line (bilaterals/club/syndicate): €700m
- CP Program €1,000M (€65m outstanding)

FY'18 outlook raised for underlying Group EBITDA to growth of 2%-3%

Guidance metrics	FY2017 Actuals	FY2018 Outlook Feb. 2018	2018 YTD achievement	FY2018 Revised Outlook Oct. 2018
<u>Domestic</u> underlying <u>revenue</u>	€4,458m	Nearly stable	+0.3%	Nearly stable
<u>Group</u> underlying <u>EBITDA</u>	€1,823m	Slight growth	+2.9%	between 2%-3%
<u>Capex</u>	€1,092m*	Around €1Bn	€697m	Around €1Bn

\* Incl. renewal of 3-year football broadcasting licenses (Jupiler League, UEFA Champions League)

- Solid YTD 2018 results despite high competitive intensity. So far delivering underlying Group EBITDA ahead of company expectations
- Intention to return a €1.50 gross dividend per share for 2018 reconfirmed. On 24 October 2018, the Proximus Board of Directors approved to return to the shareholders a gross interim dividend of EUR 0.50 per share:
  - Ex-coupon date: 05/12/2018
  - Record date: 06/12/2018
  - Payment date: 07/12/2018



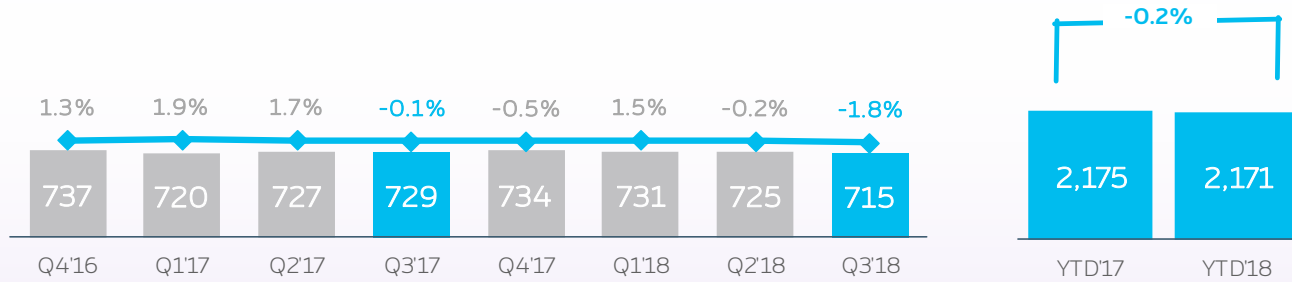
# Consumer results

---

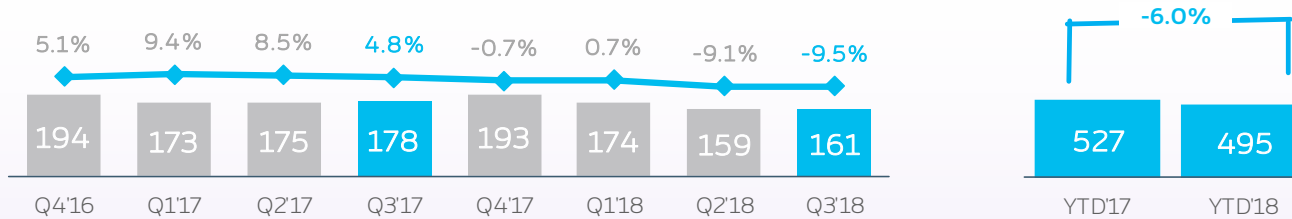
Value accretive customer mix, with ARPH increasing by +0.5% to €65.7

(M€ & YoY)

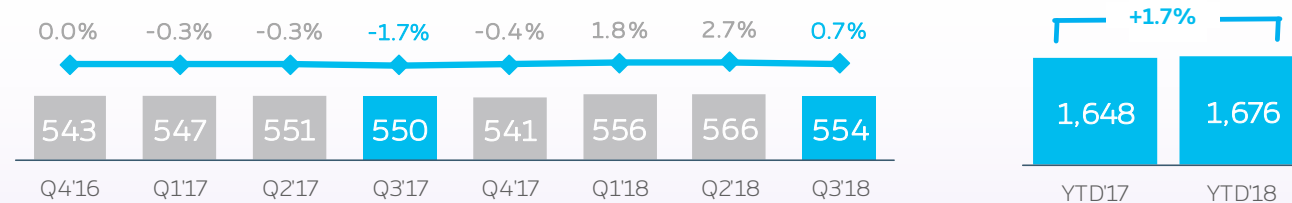
Revenue



Cost of Sales



Direct Margin



Consumer revenue €-13m YoY,

- Mobile device revenue €-9m, no impact on DM
- Other revenue €-4m due to renewed collection process

Q3'18 Direct margin € +4m YoY

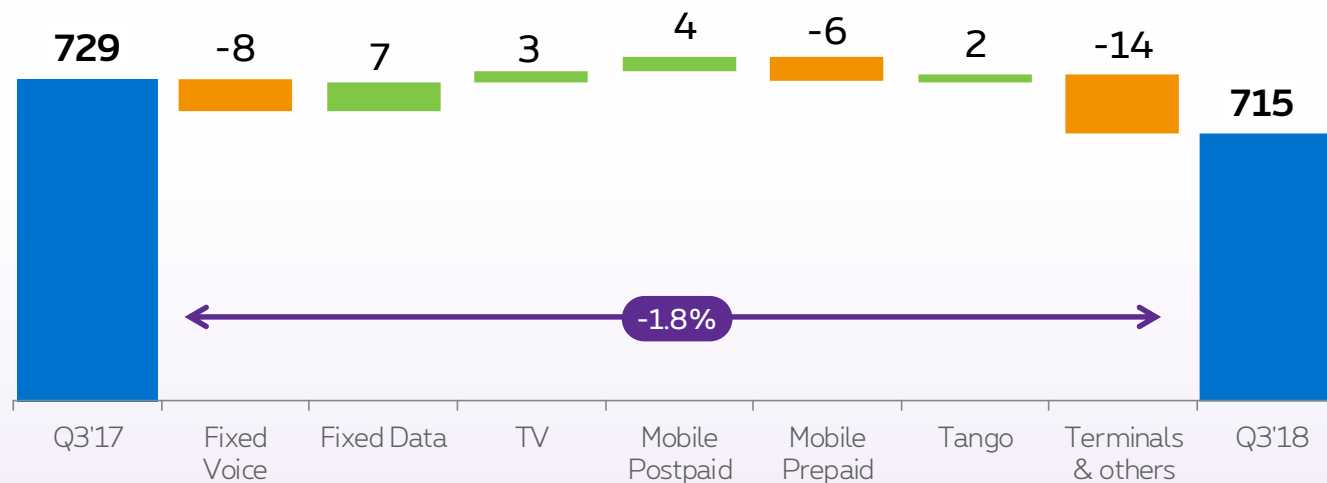
- + Enlarging customer base
- + Price index Jan'18
- Renewed collection process
- Lapsing price changes (Jul'17, M4M mobile Aug'17)

# Consumer revenue

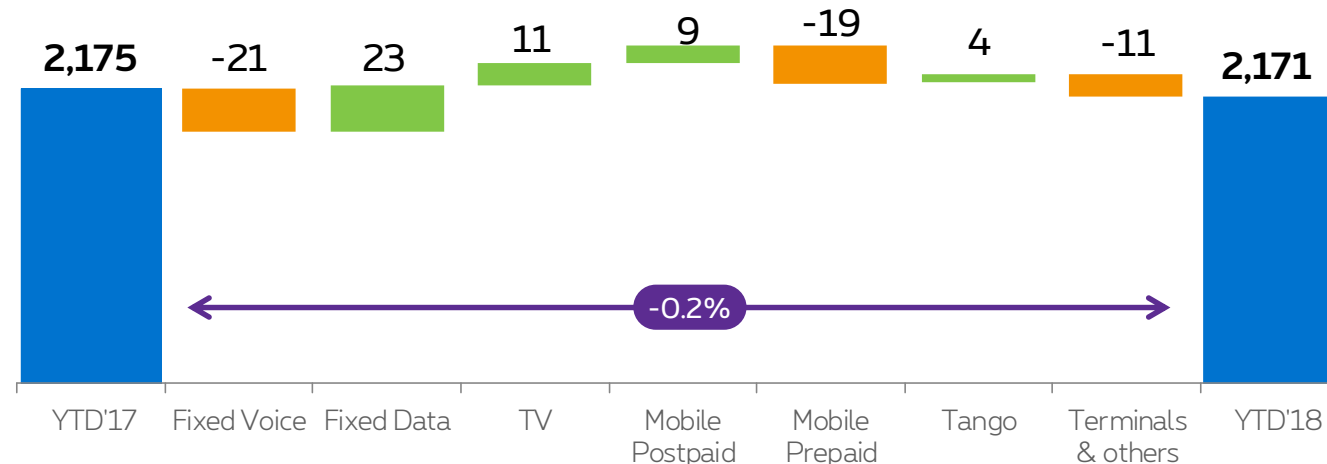
Consumer revenue down -1.8% driven by lower Terminals sales & new collection process

**Q3**

(M€)


**YTD**

(M€)

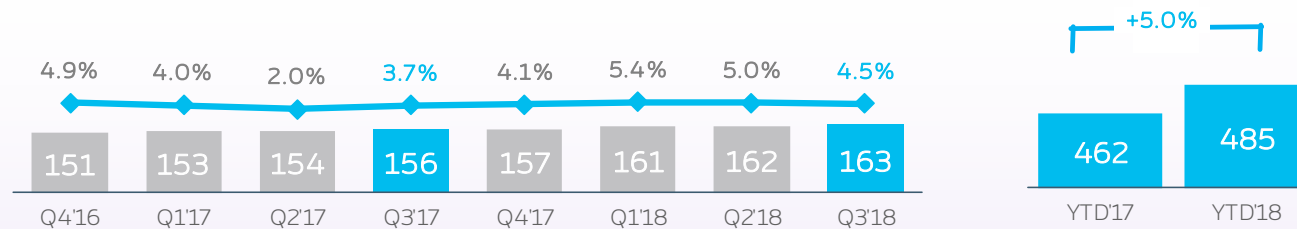


- + YoY growing Internet, TV and Mobile Postpaid customer base
- + Price changes Jan'18
- Lapsing price changes mid'17
- Continued erosion in Fixed Voice & Prepaid base
- Less mobile devices sales

# Fixed data revenue +4.5%

Internet base up +9,000 in Q3'18; +48,000 YoY – ARPU up 1.9% on an annual basis

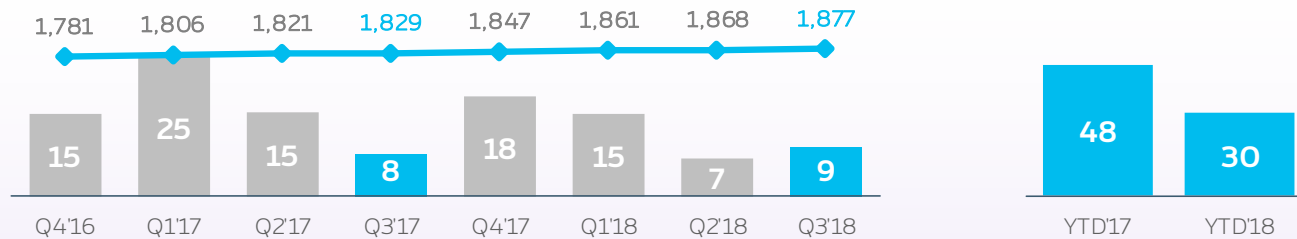
Fixed data revenue (M€) & YoY



+4.5% revenue from Internet subscriptions YoY, driven by

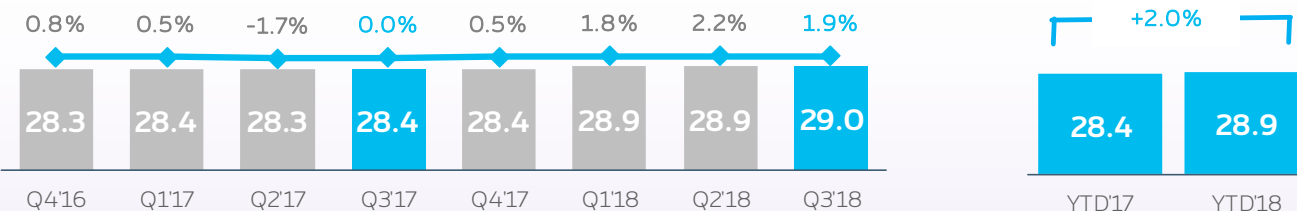
- higher base
- higher ARPU

Broadband growth & EOP (000)



- +9,000 Internet lines in Q3'18 in a competitive market
- Customer base +2.6% YoY

Broadband ARPU (€) & YoY variance



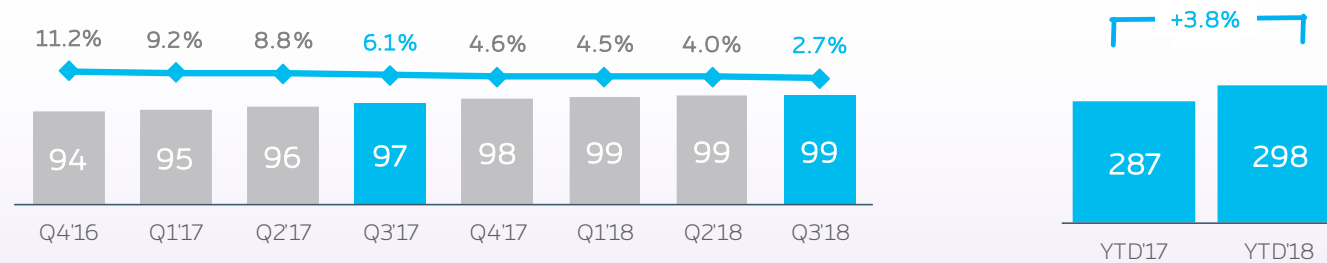
- ARPU up 1.9% YoY reflecting the price changes since the start of 2018



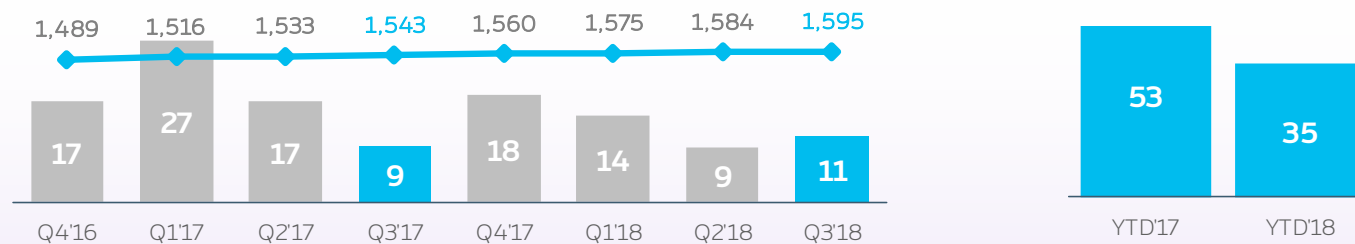
# TV revenue + 2.7%

TV customer base grew by 11,000 households in Q3'18; +52,000 YoY

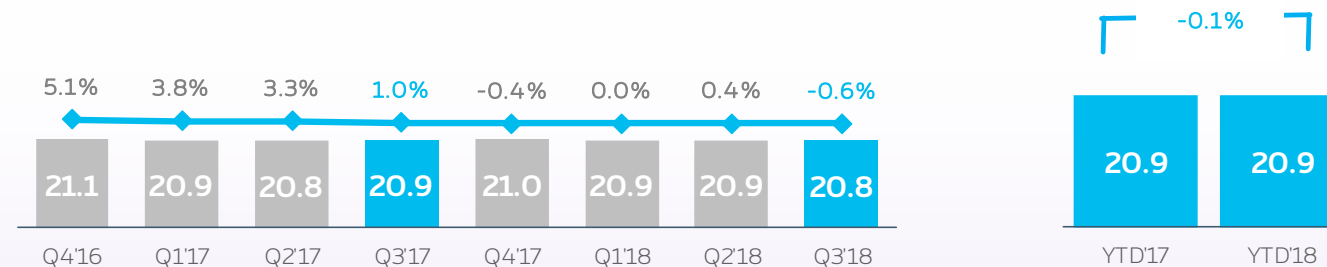
TV revenue (M€) & YoY variance



Unique TV - customers (000)



Fixed TV ARPU (€) & YoY variance

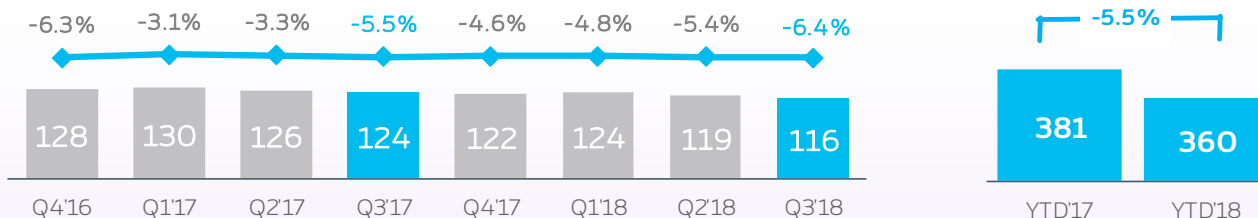


- TV revenues up by 2.7% YoY
- +52,000 TV households YoY, or +3.4%
- TV ARPU a touch below last year (-0.6%)

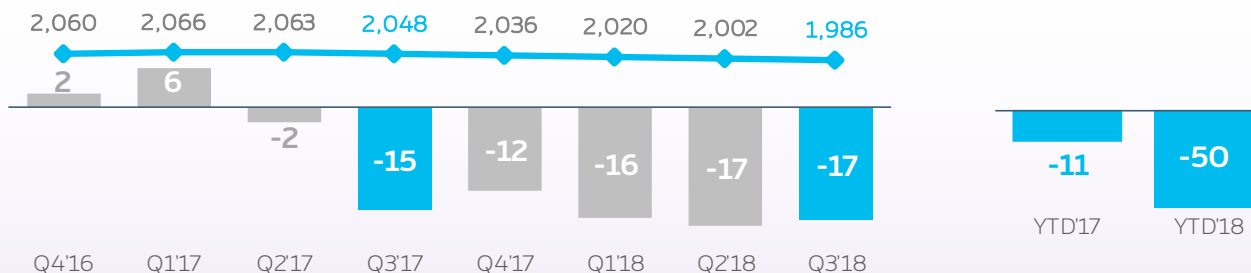
# Fixed voice

Revenue decline YoY driven by continued line erosion and lower traffic

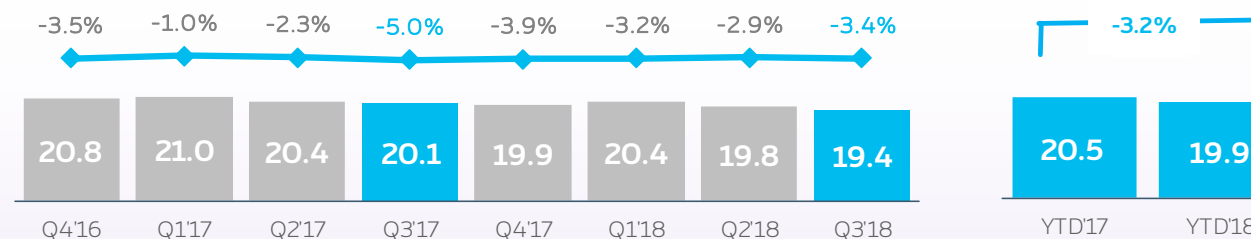
Fixed voice revenue (M€) & YoY variance



Voice line loss/gain & EOP (000)



Fixed voice ARPU (€) & YoY variance



Total Fixed voice customer base down 3.1% YoY

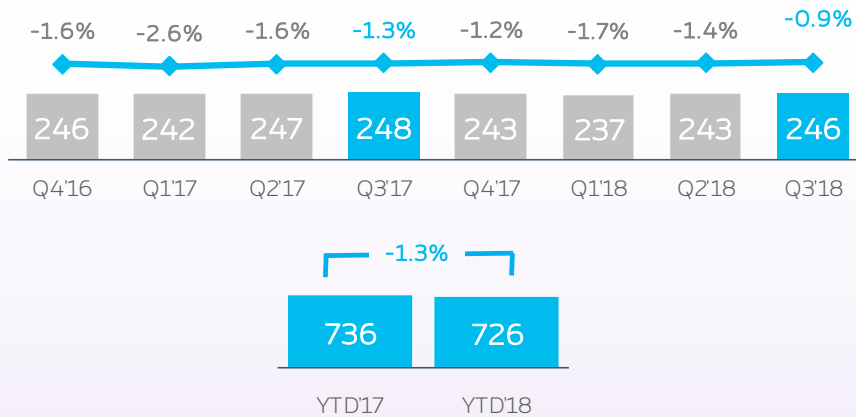
ARPU -3.4% YoY, reflecting

- ongoing voice traffic decline
- partially offset by Jan'18 price changes for 1-P Fixed Voice

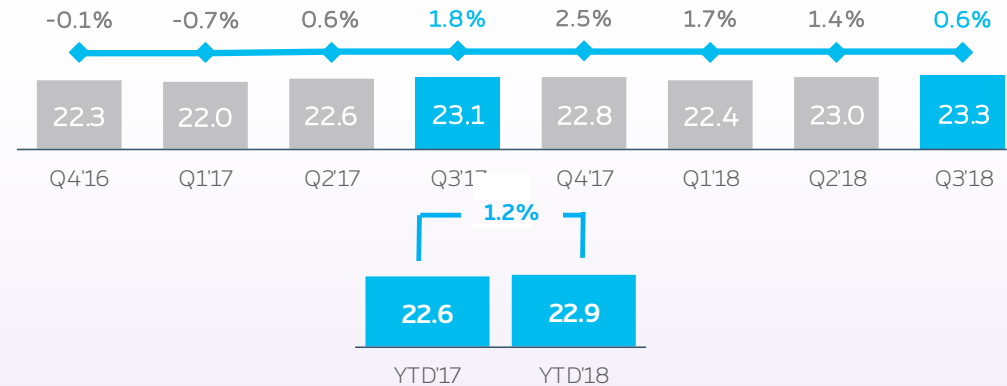
# Mobile service revenue

YoY variance improved to -0.9%

Mobile service revenue (M€) & YoY variance



Blended net mobile ARPU (€) & YoY variance



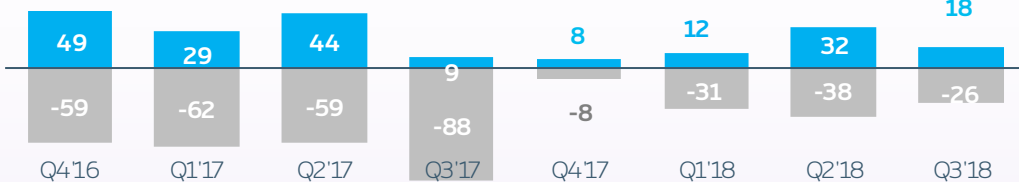
Blended ARPU up on better customer mix



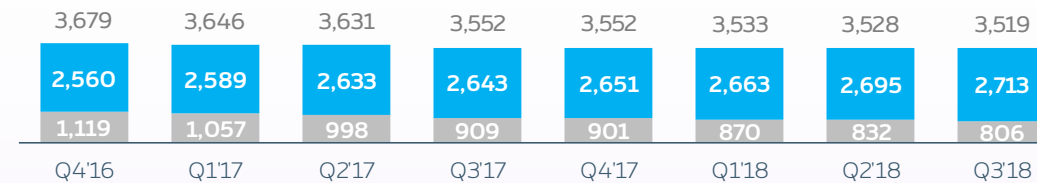
+18,000

Mobile Postpaid cards in Q3'18 on the Proximus and Scarlet brands

Mobile Net Adds (000's)



Mobile Park (000's)



■ Prepaid

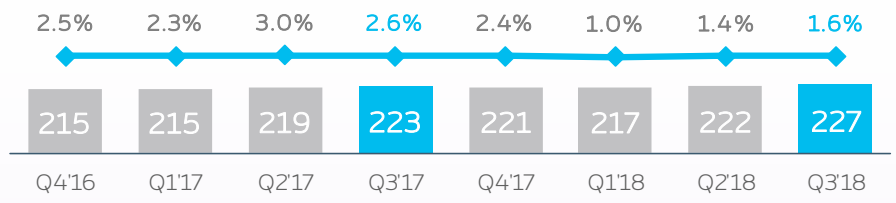
■ Postpaid

# Postpaid and prepaid

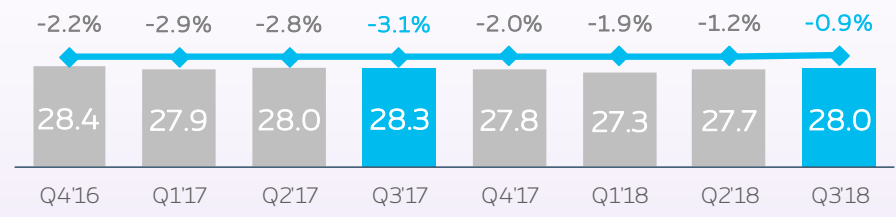
Actively migrating Prepaid to higher-value Postpaid offers

## Postpaid

Revenue (M€) & YoY



ARPU (€) & YoY variance

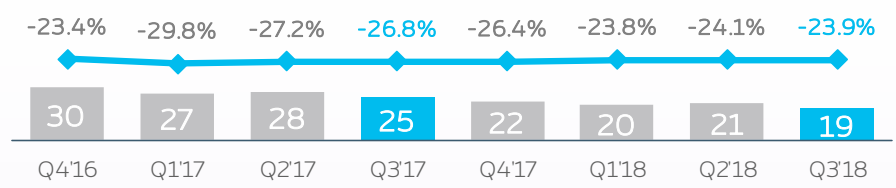


+2.7% YoY customer growth

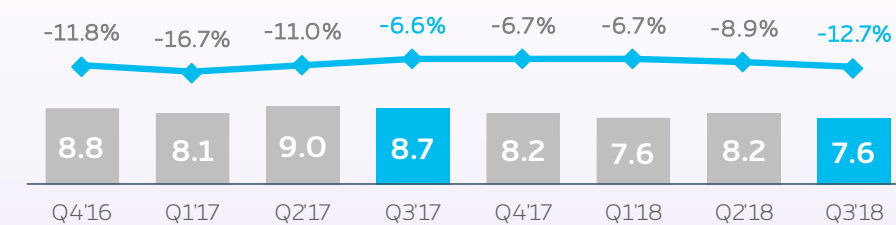
Postpaid ARPU variance sequentially improving  
 + Lapsing regulatory roaming price impact  
 - Lapsing More-for-more Mobile price adjustments of 01/08/2017

## Prepaid

Revenue (M€) & YoY



ARPU & YoY variance

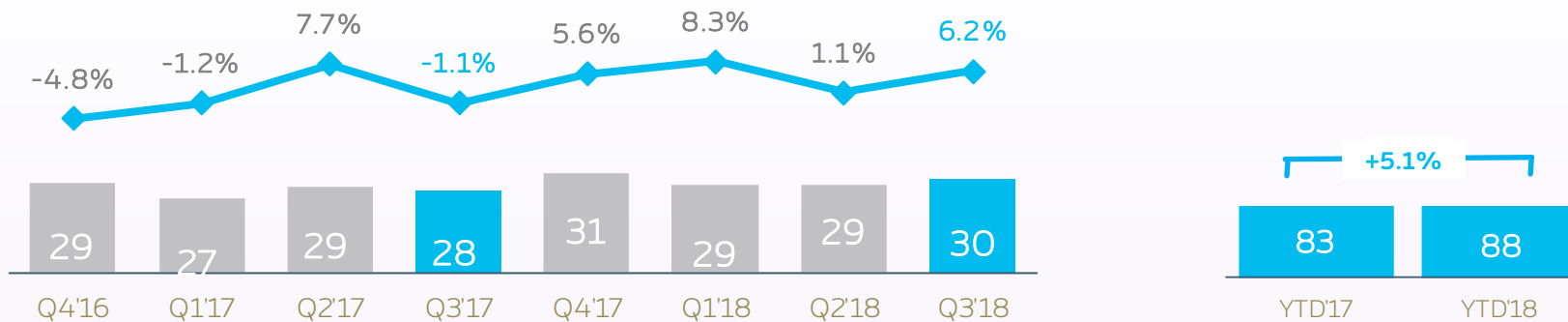


Continued erosion in declining market partly driven by upsell strategy to similar Postpaid plans, at higher value

# Tango Luxembourg

Consumer revenue +6.2% YoY in an aggressive competitive market

Tango revenue (M€) & YoY variance



Improved consumer revenue driven by :

- Lower promo impact YoY
- Steady growth in mobile base
- Successful convergence strategy execution, with FttH driving increase in broadband revenue

# X-Play view

(under IFRS 15)

---

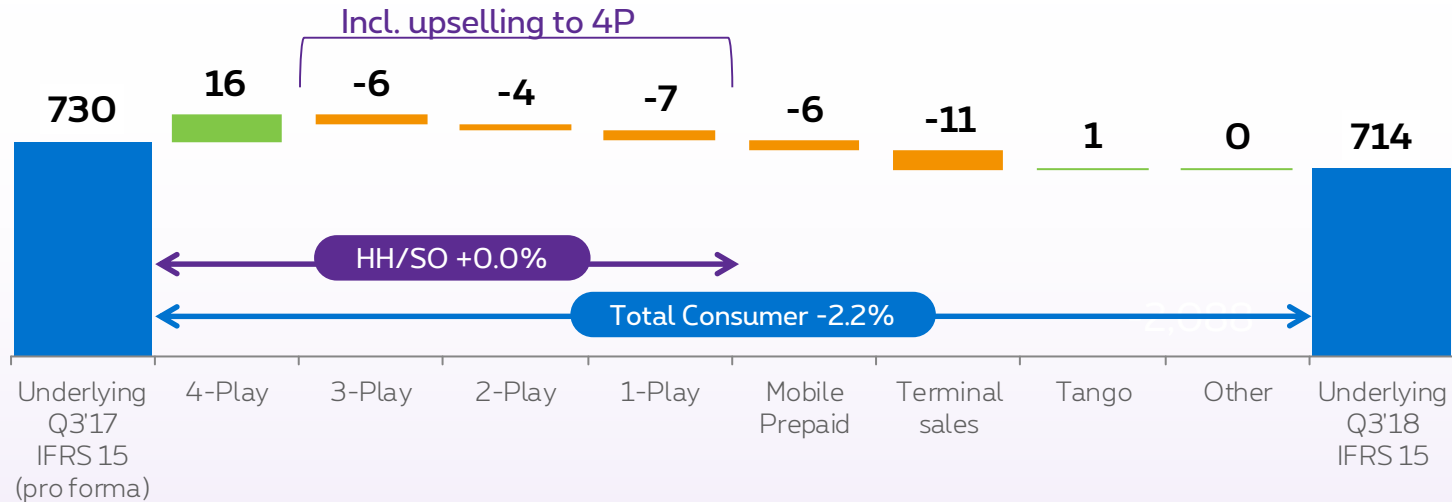


# Stable revenue from HH/SO

Lower revenue from Mobile Prepaid and Terminal sales

Q3

(M€)



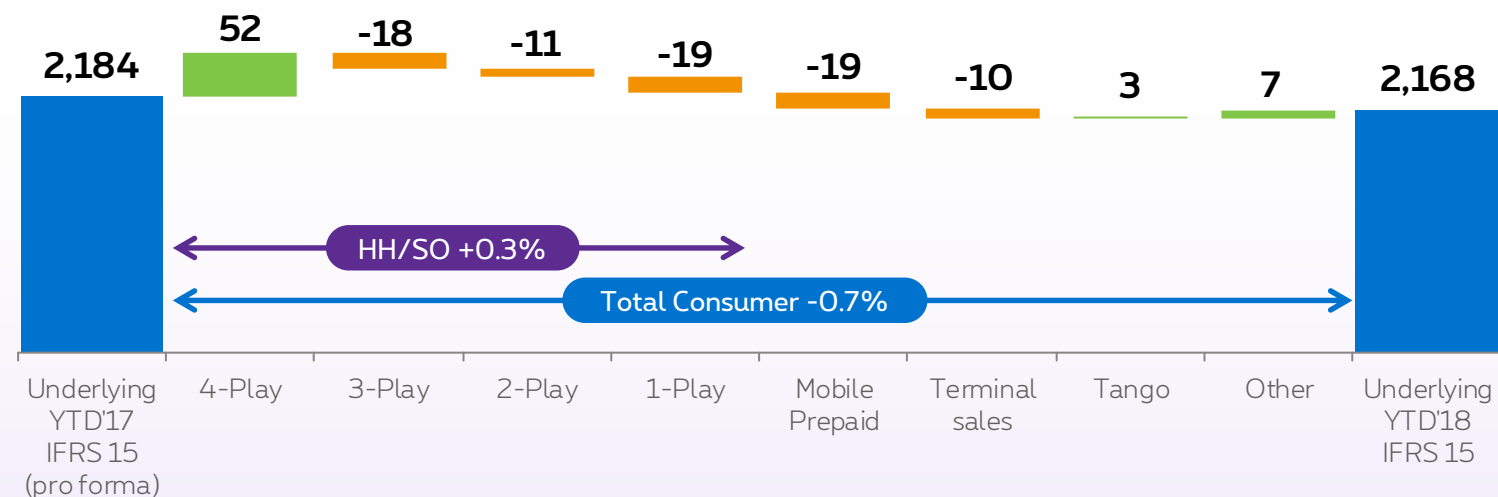
- Proximus' strategy to focus on multi-play offers resulting in continued up-tiering to 4-Play, up 7.2% YoY in Q3'18

- Lower Mobile devices revenue with no effect on margin

- Lower Prepaid revenue on eroding base in a declining market and migration to similar postpaid price plans

YTD

(M€)

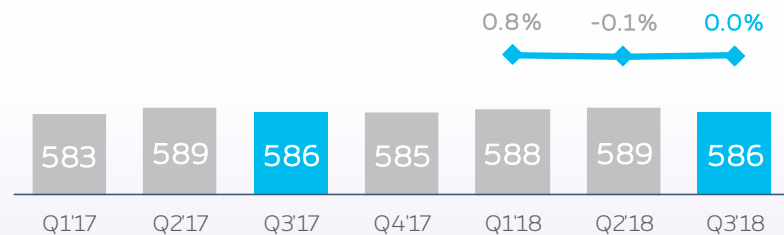




# Continued revenue shift to 4-Play

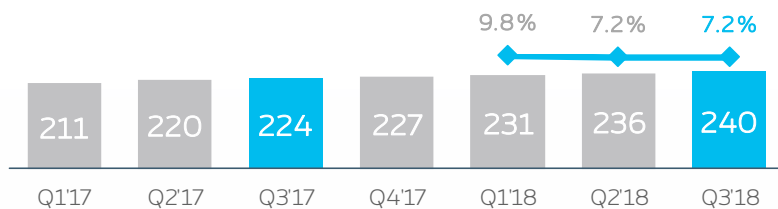
4-Play revenue up 7.2% YoY, representing 34% of Total Consumer revenue

**X-Play**  
revenue (M€)  
& YoY variance

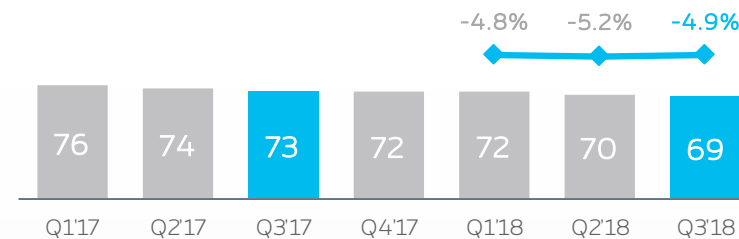


Ongoing expansion of 4-Play base, up 51,000 YoY, including 10,000 in Q3'18

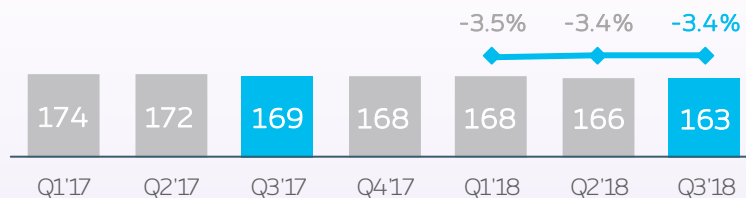
**4-Play**  
revenue (M€)  
& YoY variance



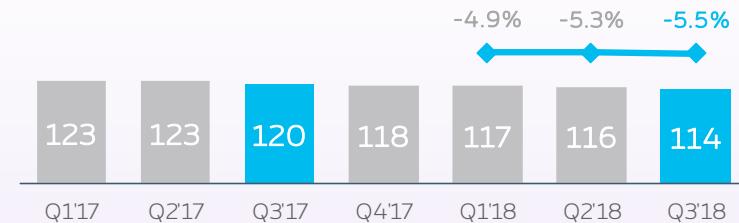
**2-Play**  
revenue (M€)  
& YoY variance



**3-Play**  
revenue (M€)  
& YoY variance

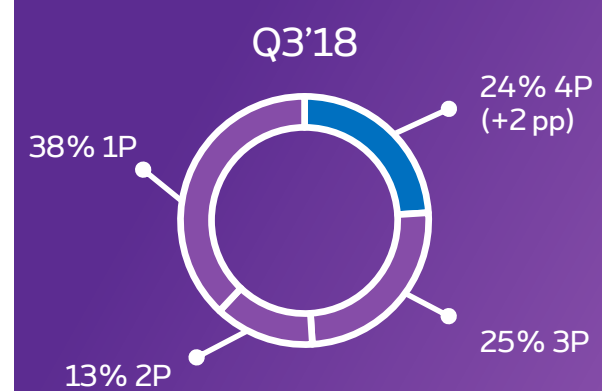
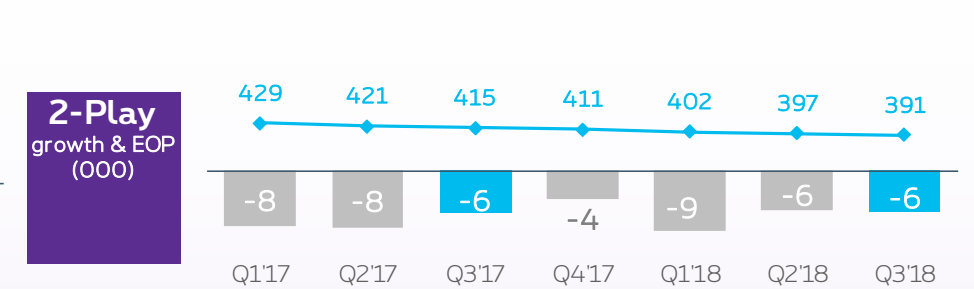
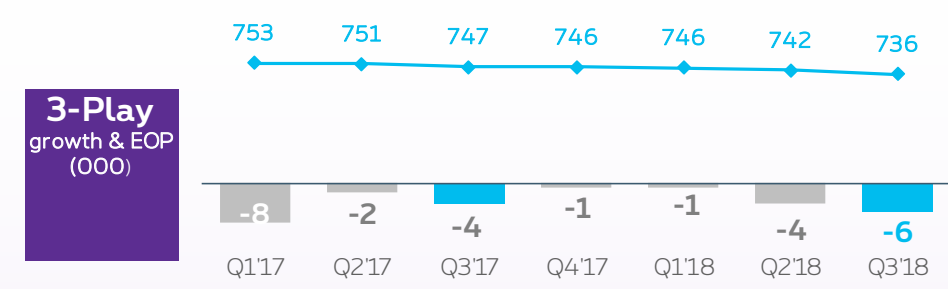
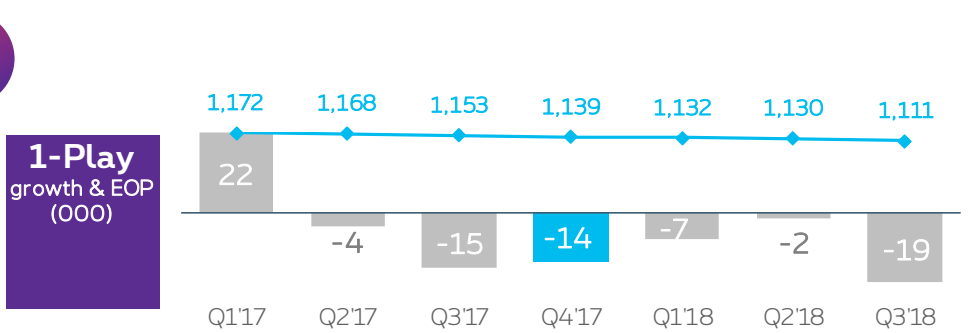
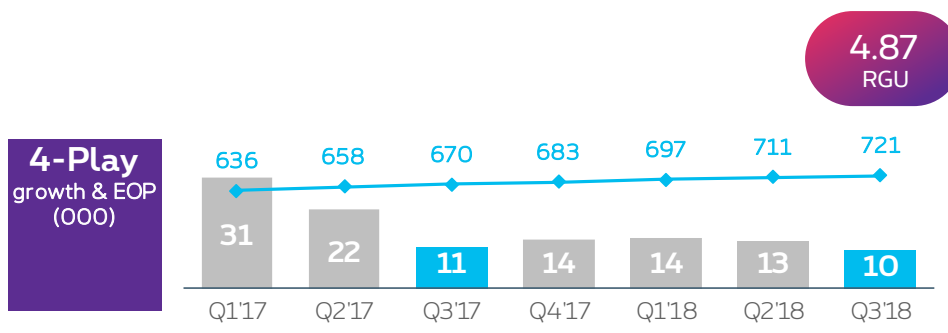


**1-Play**  
revenue (M€)  
& YoY variance



# Increasing number of customers on 4-Play

Improving Customer Mix, average RGU per HH/SO up 2.5% to 2.76

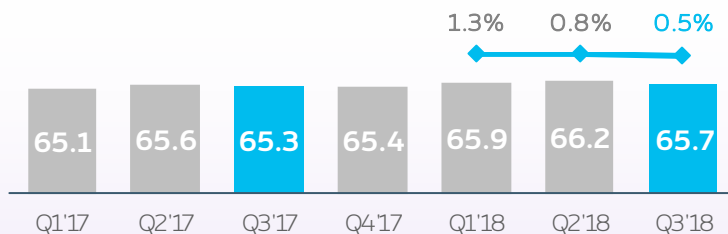


+ 51,000 4-Play YoY (+7.7%)

# Overall ARPH up 0.5% YoY

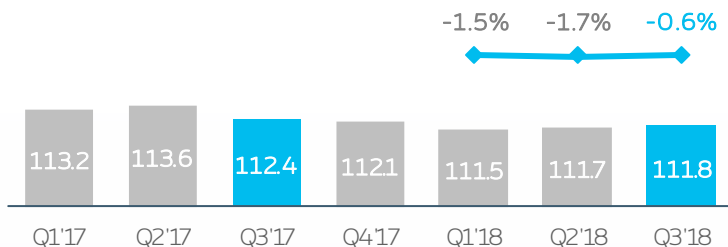
Progress to € 65.7, on improved customer mix

**X-Play**  
ARPH (€)  
&  
YoY Variance

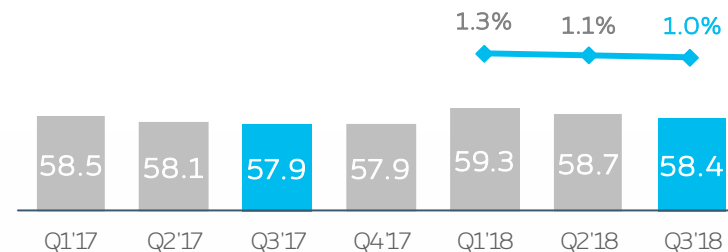


More and more 4-Play HH/SO with ARPH of € 111.8

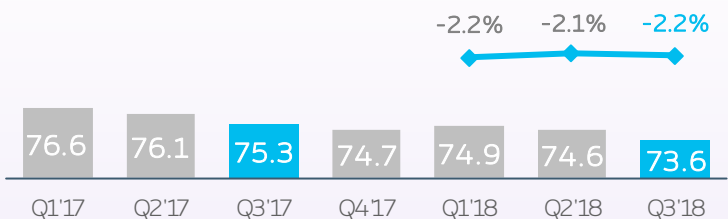
**4-Play**  
ARPH (€)  
&  
YoY Variance



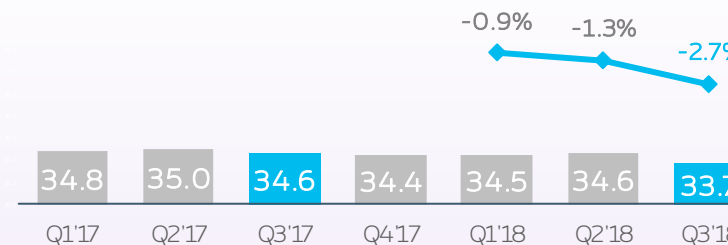
**2-Play**  
ARPH (€)  
&  
YoY Variance



**3-Play**  
ARPH (€)  
&  
YoY Variance



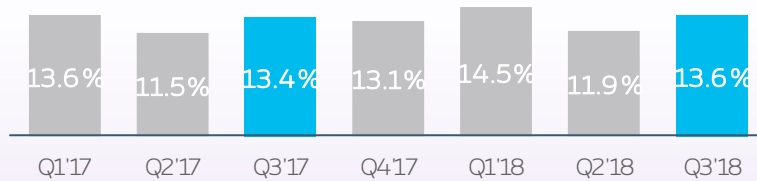
**1-Play**  
ARPH (€)  
&  
YoY Variance



# Annualized full churn rates

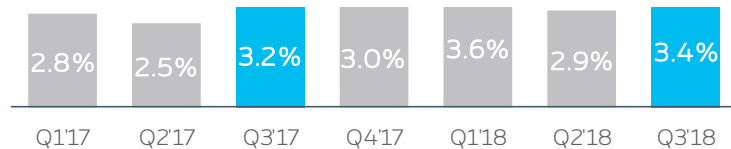
Overall annualized full churn rate fairly stable YoY (+0.2pp)

## X-Play Annualized full churn rate

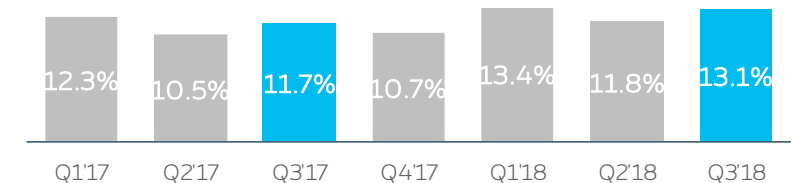


Convergent HH/SO maintained very low churn rates, with limited impact from the higher competitive intensity

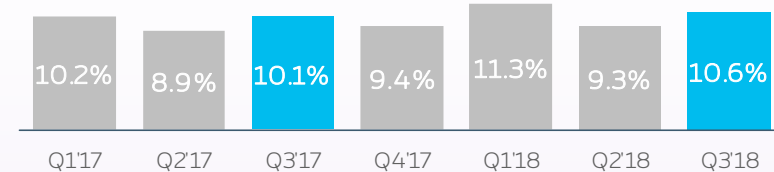
## 4-Play Annualized full churn rate



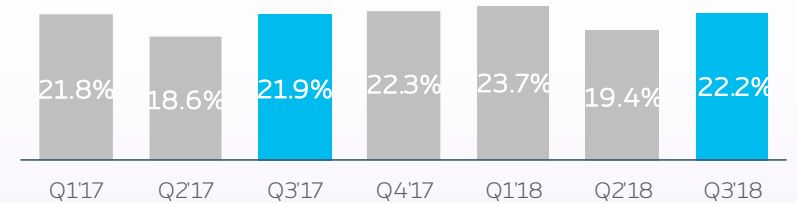
## 2-Play Annualized full churn rate



## 3-Play Annualized full churn rate



## 1-Play Annualized full churn rate



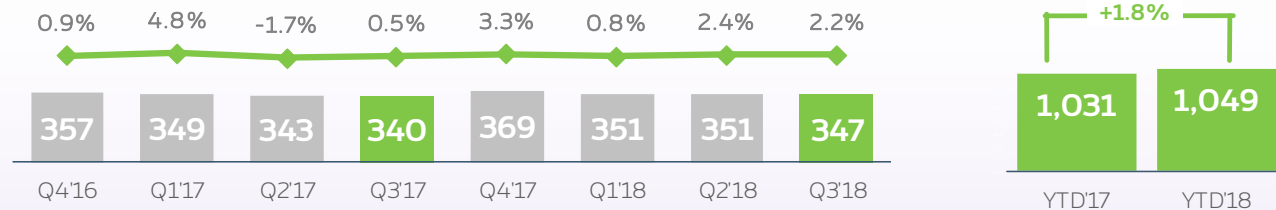
# Enterprise results

---

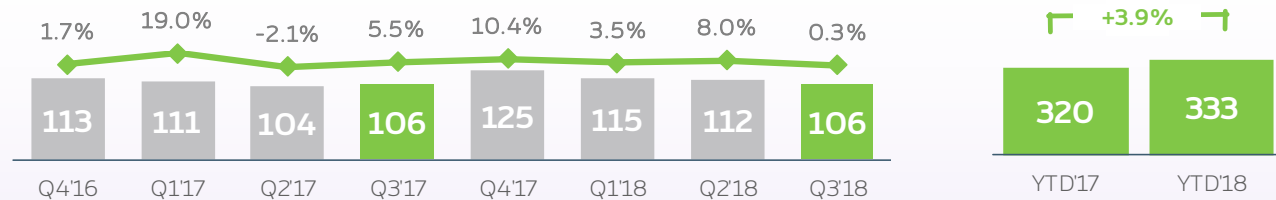


## Enterprise revenue and direct margin benefitting from expanded ICT portfolio and growth for Mobile Services and Advanced Business Services

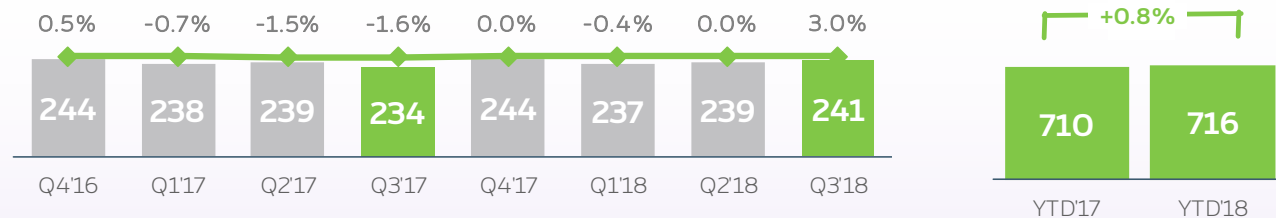
Revenue (M€) & YoY



Cost of Sales (M€) & YoY



Direct margin (M€) & YoY



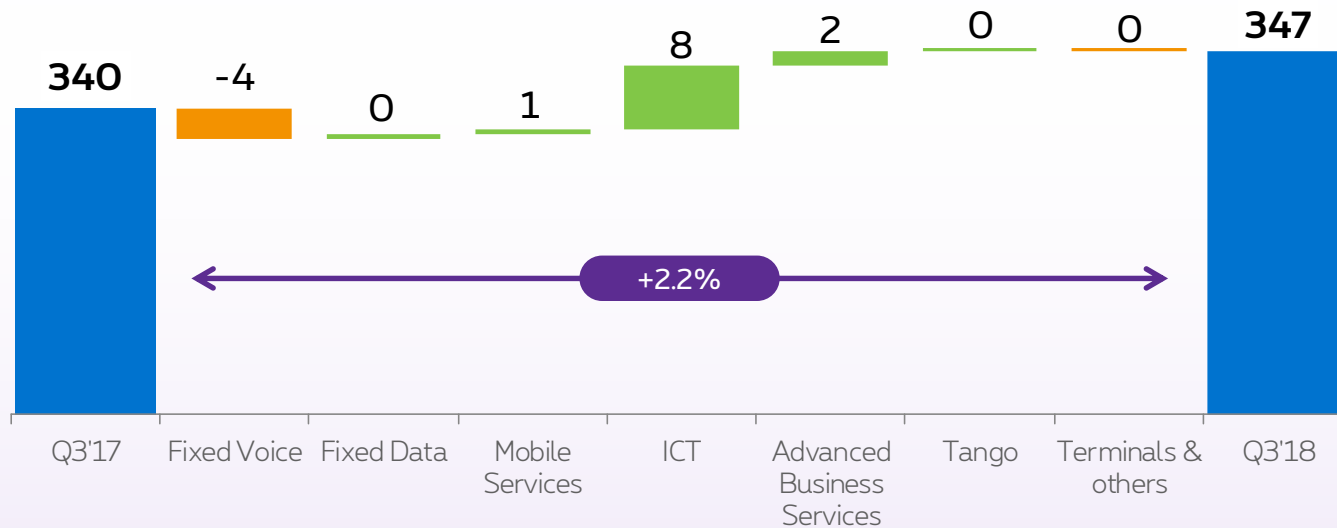
- ICT +6.8%, benefitting from its expanded ICT portfolio
- Mobile services revenue +0.9%
- Advanced Business Services: +28.6%
- Legacy voice revenue down by -7.2%
- Direct margin at €241m, i.e. 69.4% of revenue (+0.6pp YoY).
- Direct margin up 3.0% YoY. ICT, Mobile Services and Advanced Business Services contribution more than offsetting fixed voice erosion

# Q3'18 revenue up by 2.2%

Higher revenue from ICT, Mobile Services and Advanced Business Services more than compensated pressure on legacy telecom services

**Q3**

M€



Operating in a competitive environment, Proximus' Enterprise segment achieved a 2.2% YoY revenue growth:

+ Continued strong mobile customer growth: Mobile Service revenue up 0.9%

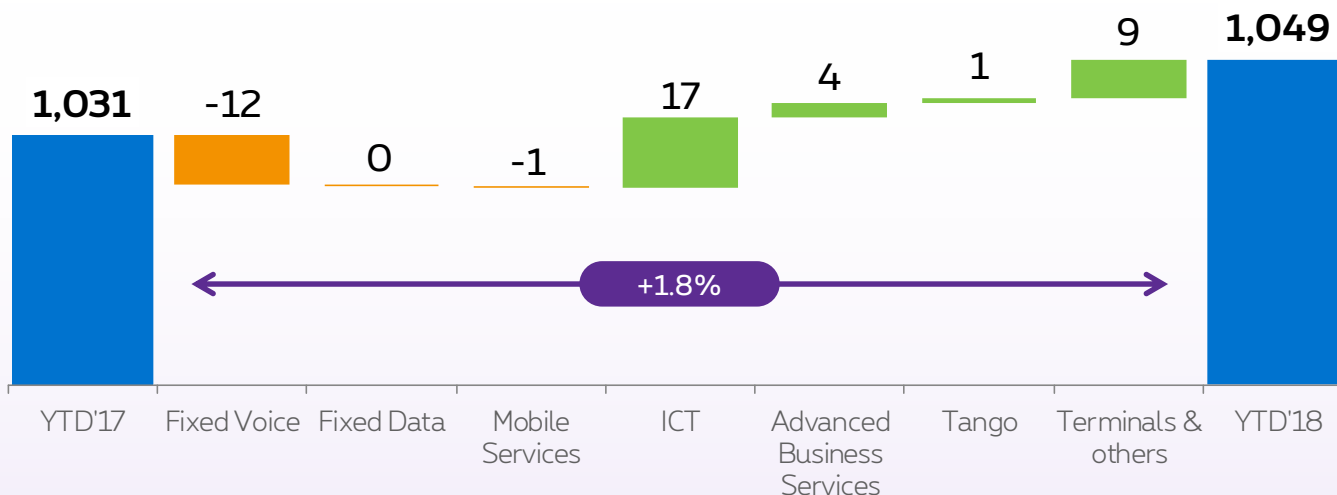
+ ICT benefitting from the contribution of acquired companies

+ Growing Advanced Business Services

- Pressure on legacy Fixed Voice

**YTD**

M€

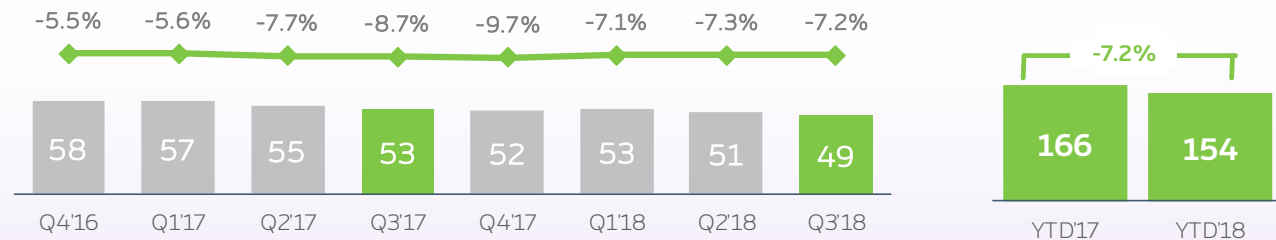




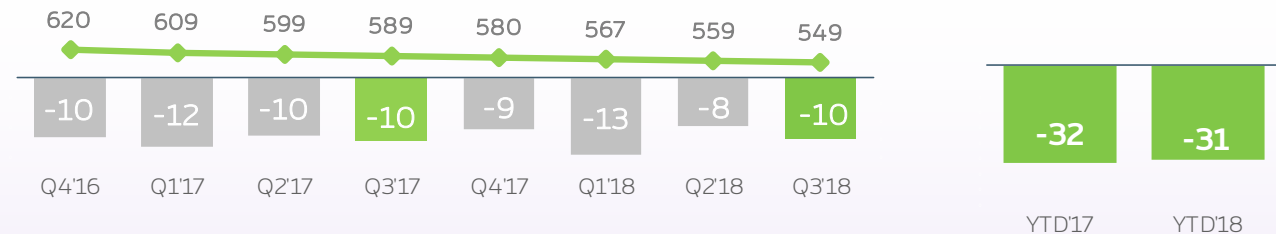
# Fixed Voice

Steady revenue decline on line erosion and lower usage

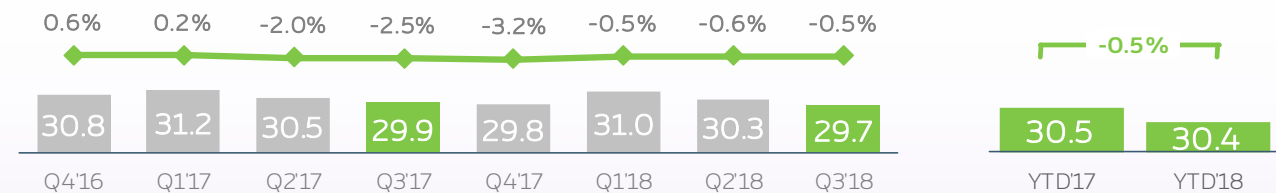
Fixed voice revenue (M€) & YoY variance



Voice line loss/gain & EOP (000)



Fixed voice ARPU (EUR) & YoY variance



- Ongoing rationalization by customers on Fixed line connections, lower usage, technology migrations to VoIP and competitive pressure

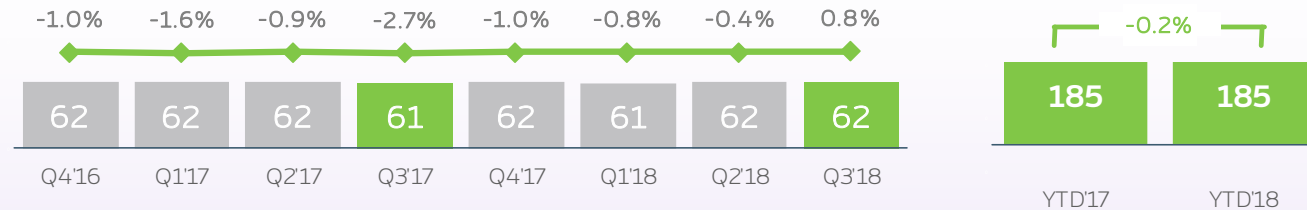
- Steady net Fixed line erosion
- YoY Fixed line base -6.7%

- YoY Fairly stable Fixed Voice ARPU of €29.7
  - decreased traffic per line & higher penetration of unlimited call options
  - for a large part compensated by Jan'18 price indexations

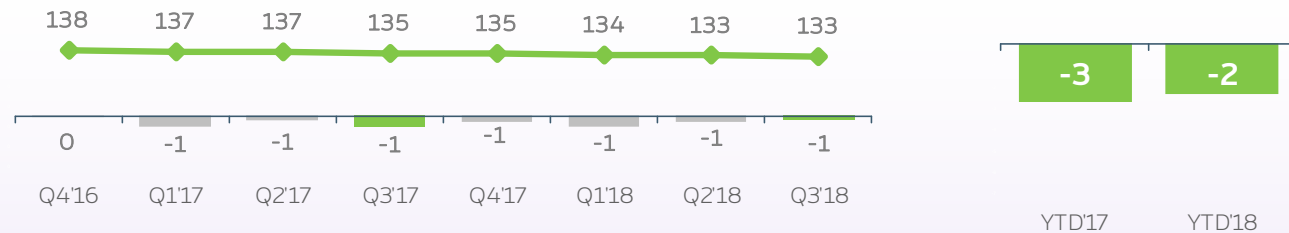
# Fixed Data

Ongoing migration of legacy data products to new solutions at more attractive pricing  
 Stable Internet customer base of 133,000 lines in competitive market

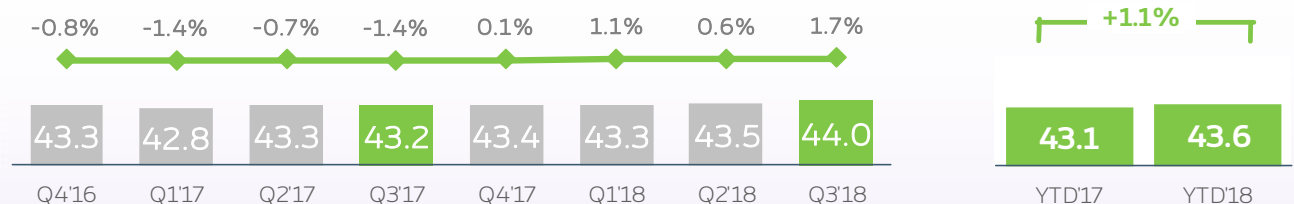
Fixed data revenue (M€)  
& YoY variance



Broadband growth & EOP  
(000)



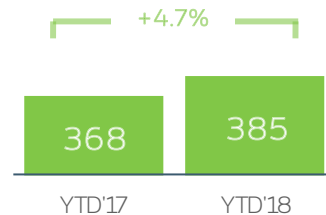
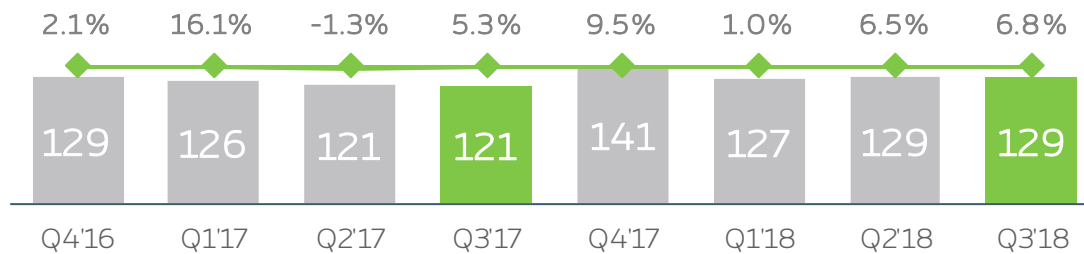
Broadband ARPU (EUR)  
& YoY variance



- Somewhat higher revenue from Data Connectivity (largest part in this product category)
- Continued migration of customers to Proximus' VPN flagship 'Explore'
  - Benefitting from the further roll-out of P2P fiber
  - Legacy products outphased and migrated in the context of simplification programs, (new solutions at more attractive pricing)
- Broadband ARPU increases YoY including price indexation effects and growing share of high-end internet in the park

## Successful strategy of expanding portfolio well beyond pure connectivity services

ICT revenue (M€) & YoY



Strengthened ICT portfolio, including acquisition of small-sized, highly specialized companies:



- **Codit**, Belgium-headquartered market leader in business application integration, API Management, Azure and Internet of Things was acquired 11 July 2018



- **Umbrio**, Dutch IT & network operations company acquired by Proximus on 31 May 2018



- **ION-IP**, a Dutch company specialized in Managed Security services, acquired on 27 March 2018



- **Unbrace**, an application development company acquired on 1 October 2017

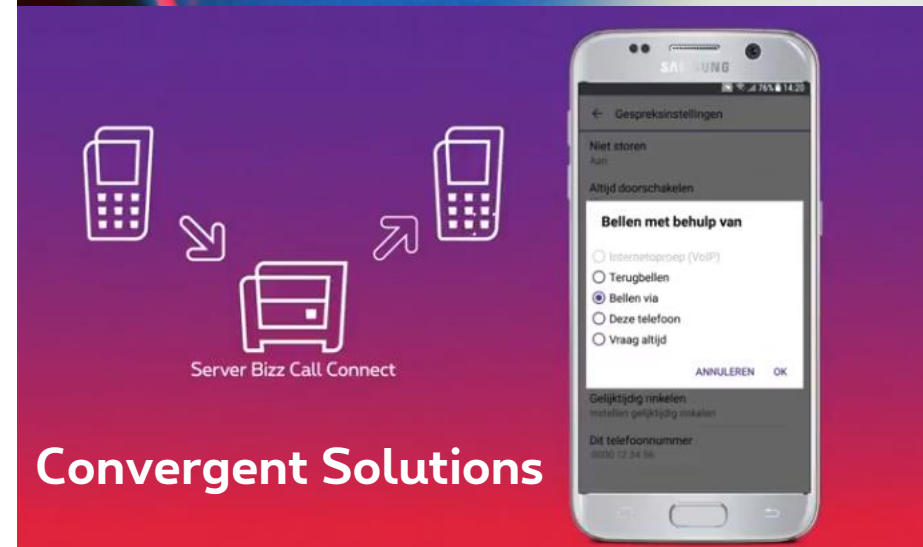
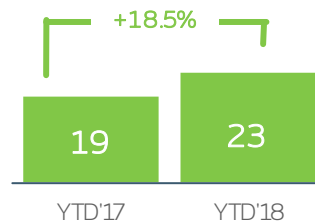
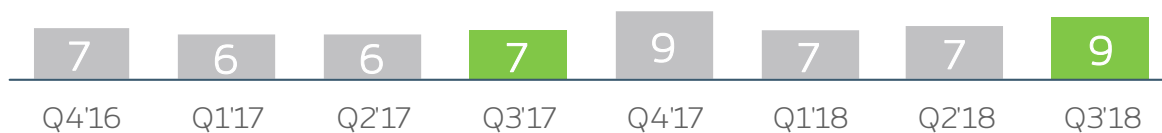


- **Davinsi Labs**, a cybersecurity company was acquired on 4 May 2017

# Advanced Business Services

Solid revenue from Smart Mobility and convergent business solutions

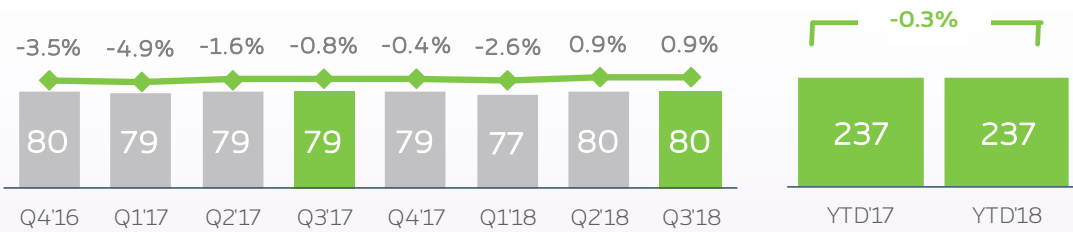
Advanced Business Services (M€)



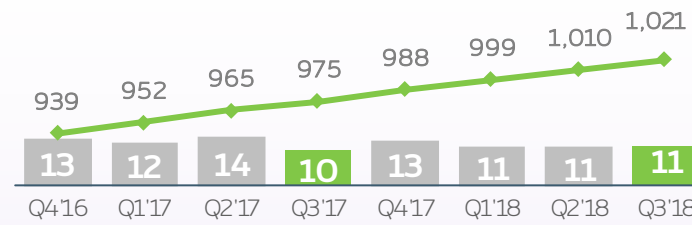
# Mobile Service Revenue +0.9%

Benefit from customer growth partially offset by lower Postpaid ARPU

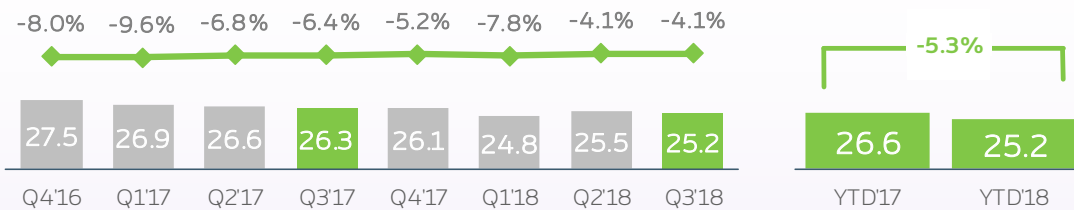
Mobile service revenue (M€) & YoY variance



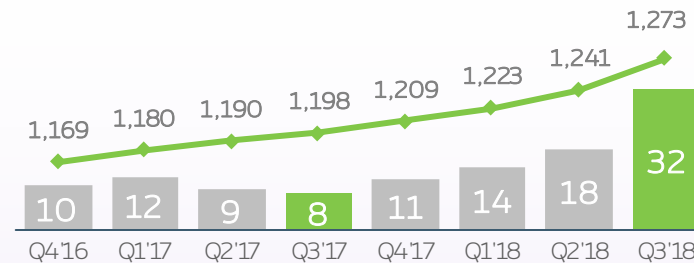
Postpaid excl. M2M growth & EOP (000)



Postpaid ARPU (EUR) & YoY variance



M2M growth & EOP (000)



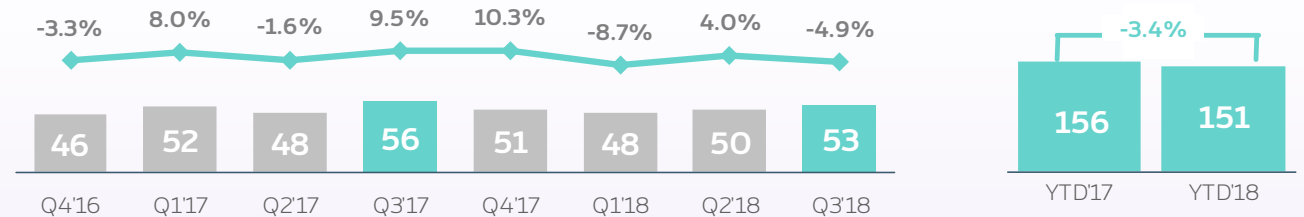
- Mobile Voice park of 1,021,000 cards, +4.7% YoY
- YoY ARPU decrease stable to prior quarter
  - Decreasing Roaming options
  - Advantageous price bundles
  - Competitive price pressure
- Average national data usage +33% YoY to 1.7GB/user
- +32,000 M2M cards in Q3, sequential increase related to Road User Charging product
- M2M park +6.3%; maintaining leadership position on M2M market

# Wholesale

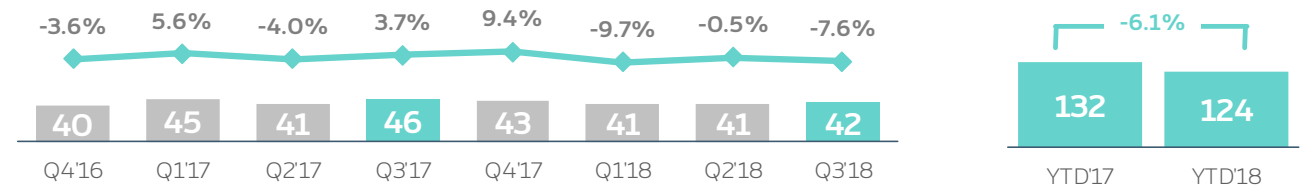
Decline in revenue mainly due to lower roaming-in revenue. Wholesale direct margin unfavourably affected by wholesale roaming rate negotiations. Positive effect for Consumer and Business Margin



Revenue (M€) & YoY



Direct margin (M€) & YoY







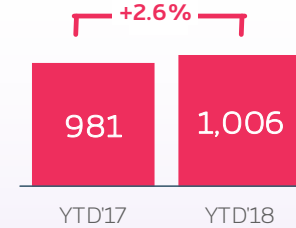
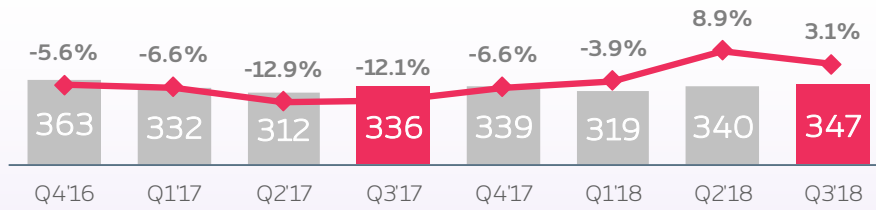
**BICS results**

---

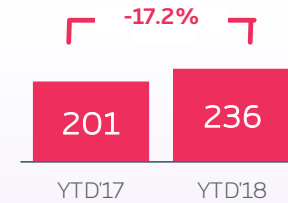
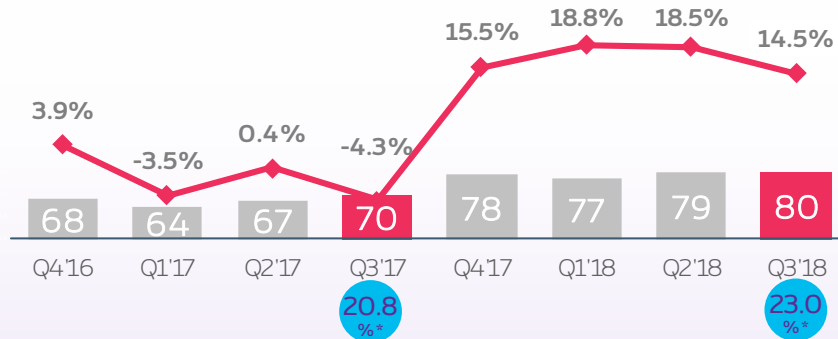
# BICS segment result up by 4.8%

TeleSign contribution & synergies increasing DM to 23.0% of revenue

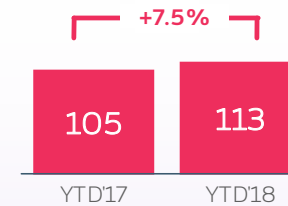
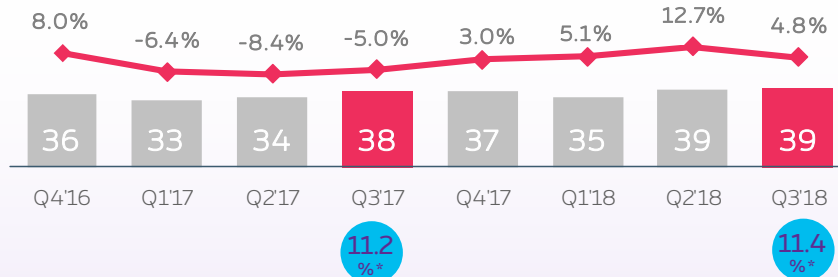
Revenue (M€) & YoY variance



Direct Margin (M€)



Segment result (M€) & YoY variance



\*% of revenue

- YoY uplift mainly driven by the additional business from TeleSign, consolidated since 1 November 2017

- Strong growth in SMS A2P volumes and realizing direct cost synergies

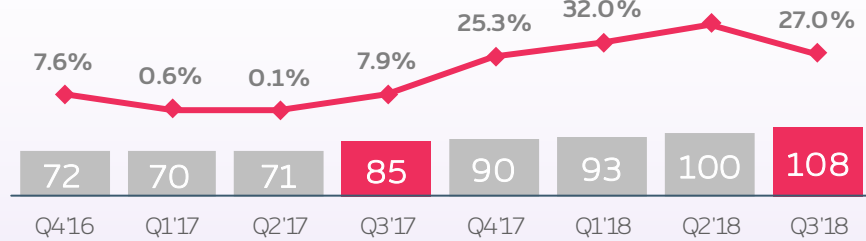
- Direct margin increase partly offset by higher expenses (+€ 8M), driven by the consolidation of TeleSign



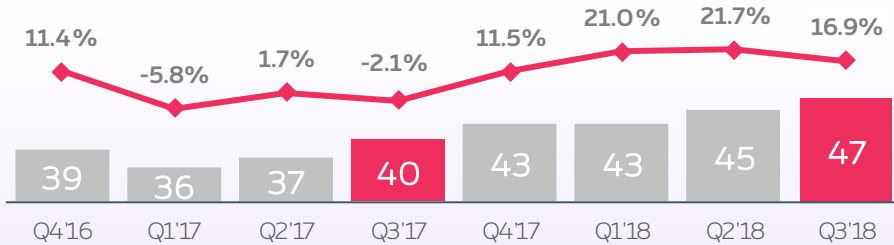
# Non-Voice

Firm growth on SMS A2P volumes, benefitting from BICS –TeleSign combination

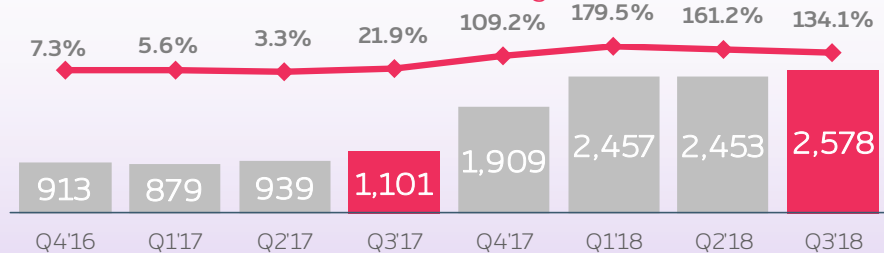
BICS - Non Voice Revenue (M€)



BICS - Non Voice Direct Margin (M€)



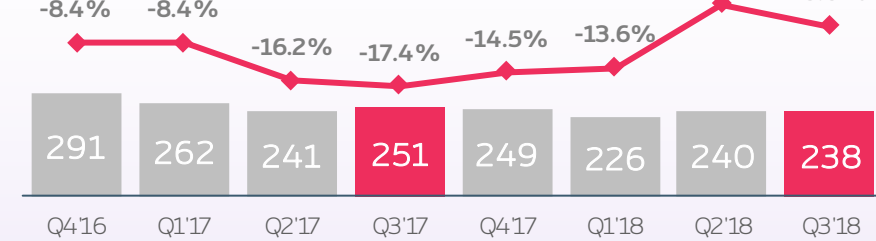
BICS - Non Voice Volumes (in mio messages)



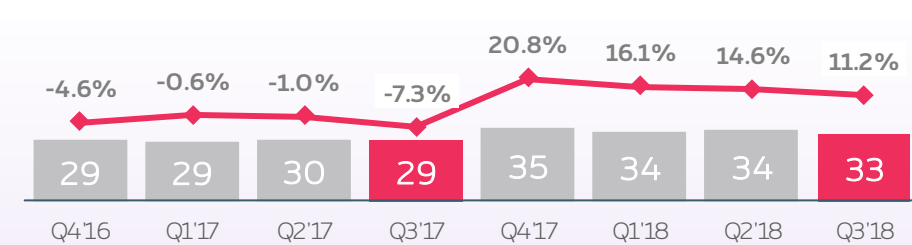
# Voice

DM supported by TeleSign authentication services

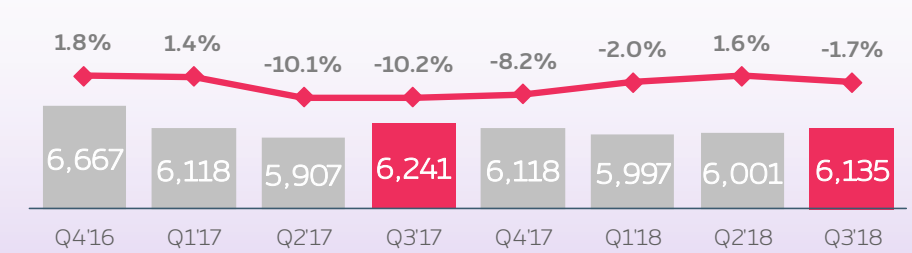
BICS - Voice Revenue (M€)



BICS - Voice Direct Margin (M€)



BICS - Voice Volumes (in mio minutes)





<b>Pricing</b>	47
<b>Spectrum</b>	51
<b>Headcount</b>	54
<b>Shareholder structure</b>	55
<b>Contact</b>	57

# Mobilus/Full Control portfolio

Revamp 1<sup>st</sup> November '18

Prices incl. VAT

## Mobile only

# Mobilus


Standalone price:

S

 **1.5 GB**  
Unlt. sms  
120 min.

€ 15.99

M Update

 **5 GB**  
Unlt. sms  
~~300 min~~ Unlt. min


€ 26.99

L NEW

 **10 GB**  
Unlt. sms  
Unlt. min

€ 36.99

**XL Unlimited** Update Of old L

 **Unlt. data \***  
Unlt. sms  
Unlt. min

€ 42.99

+ Unlimited Mobile data for your favourite App



## All-in offer

# Tuttimus



Price Mobile in pack:

S

**3 GB**  
Unlt. sms  
120 min. + CUG

€ 90,94

€ 15.99

M

**10 GB**  
Unlt. sms  
Unlt. min

€ 101.94

€ 26.99

L NEW

**20 GB**  
Unlt. sms  
Unlt. min

€ 111.94

€ 36.99

**XL Unlimited** Update Of old L

**Unlimited data \***  
Unlt. sms  
Unlt. min

€ 115.94

€ 40.99

+ Unlimited Mobile data for your favourite App



**\* FUP:**

BE: 20 GB at full speed, then 512 Kbps  
EU: 16 GB at full speed, then 0.0072€/MB

# Bizz Mobile portfolio

Revamp 1<sup>st</sup> November'18

Prices excl. VAT

## Bizz Mobile


Standalone price:

 Multi-Mobile:

\*Previous -20% lifetime discount

## Mobile in pack:


**S**

 **1.5 GB**  
Unlt. sms  
100 min. + fix

€ 13

€ 13


**M** Update

 **5 GB**  
Unlt. sms  
~~250 min + fix~~ Unlt. min

€ 23

€18\* €20

**L** NEW

 **7 GB**  
Unlt. sms  
Unlt. min

€39 €32

€31.2\* €29

**XL Unlimited** NEW

 **Unlt. data \***  
Unlt. sms  
Unlt. min + 600 min intl.

€56 €49

€44.8\* €46

+ Unlimited Mobile data for your favourite App



**S**

**1.5 GB**  
Unlt. sms  
100 min. + unlt. fix

€ 13

**M**

**5 GB**  
Unlt. sms  
Unlt. min

€ 20

**L** NEW

**10 GB**  
Unlt. sms  
Unlt. min

€ 29

**XL Unlimited** NEW

**Unlimited data \***  
Unlt. sms  
Unlt. min + 600 min intl.

€ 46

+ Unlimited Mobile data for your favourite App



\* FUP:

BE: 25 GB at full speed, then 512 Kbps  
EU: 22 GB at full speed, then 0.0059€/MB

# Epic mobile offer for millennials

Epic: worry-free connection anytime, anywhere

Launched 25 June 2018

## epic stories Endless sharing

Endless mobile data\* for these apps



\*20 GB at maximum speed



3 GB extra mobile data for all the rest  
Unlimited SMS  
60 call minutes

€19.99 /month

## epic beats Endless listening + sharing

Endless mobile data\* for these apps



\*20 GB at maximum speed



3 GB extra mobile data for all the rest  
Unlimited texts  
60 call minutes

€24.99 **€19.99** /month

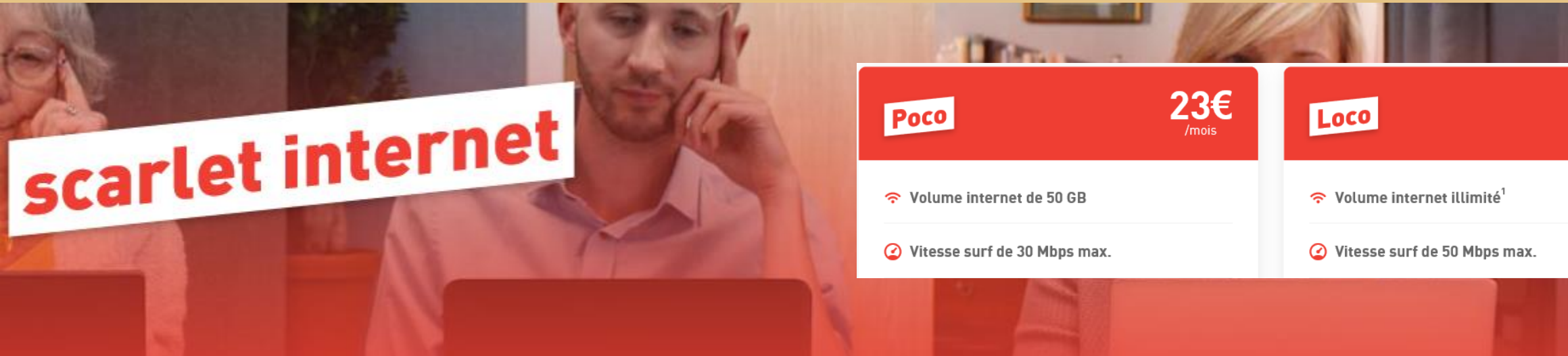
PROMO

€5 discount for 6 months, also for existing Proximus customers





















Positioning Scarlet as no frills brand, with very attractive pricing for 'price seekers'



**scarlet internet**

<b>Poco</b>	<b>23€</b> /mois	<b>Loco</b>	<b>35€</b> /mois
 Volume internet de 50 GB		 Volume internet illimité <sup>1</sup>	
 Vitesse surf de 30 Mbps max.		 Vitesse surf de 50 Mbps max.	

**Mobile**

<b>Red</b>	<b>€8</b> /maand	<b>Hot</b>	<b>€18</b> /maand	<b>Chili</b>	<b>€28</b> /maand	<b>HiFive</b>	<b>€15</b> /maand
 BEL 150 min.		 BEL onbeperkt <sup>1</sup>		 BEL onbeperkt <sup>1</sup>		 SURF 5 GB	
 SMS onbeperkt <sup>1</sup>		 SMS onbeperkt <sup>1</sup>		 SMS onbeperkt <sup>1</sup>		 SMS onbeperkt <sup>1</sup>	
 SURF 0.5 GB Optie 1 GB extra + €5		 SURF 2 GB Optie 1 GB extra + €5		 SURF 6 GB Optie 1 GB extra + €5		 BEL 0 min. Optie 90 min. + €3	

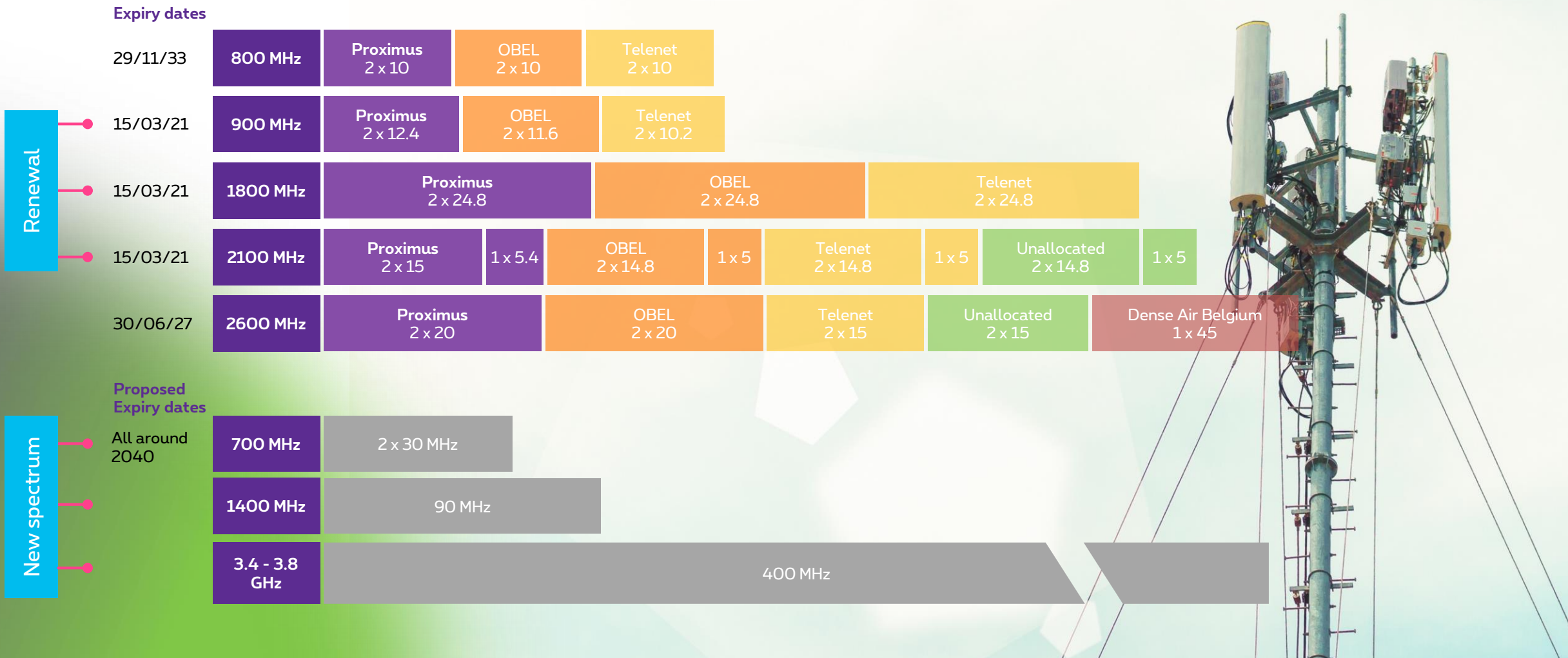


**scarlet Trio**

**€39** /maand

- 30 populairste zenders
- Onbeperkt<sup>1</sup> & snel surfen
- Onbeperkt<sup>2</sup> vast bellen 's avonds en in het WE

## Current ownership and new spectrum



# Spectrum auction

## Reserved spectrum

Details of reserved spectrum as published by BIPT

Frequency band	Total capacity	Spectrum cap	Spectrum reserved	
			For each existing operator	For a new entrant
700 MHz	30 MHz duplex	10 MHz duplex	-	5 MHz duplex
900 MHz	35 MHz duplex	15 MHz duplex	5 MHz duplex	5 MHz duplex
1400 MHz	90 MHz	35 MHz duplex	-	-
1800 MHz	75 MHz duplex	30 MHz duplex	15 MHz duplex	15 MHz duplex
2100 MHz	60 MHz duplex	25 MHz duplex	10 MHz duplex	10 MHz duplex
3600 MHz	400 MHz	100 MHz	20 MHz TDD (for the existing 3.5GHz operators)	-

In case there would be no new entrant, existing MNO's will have a higher amount of spectrum reserved.



# Spectrum auction

## Coverage obligations

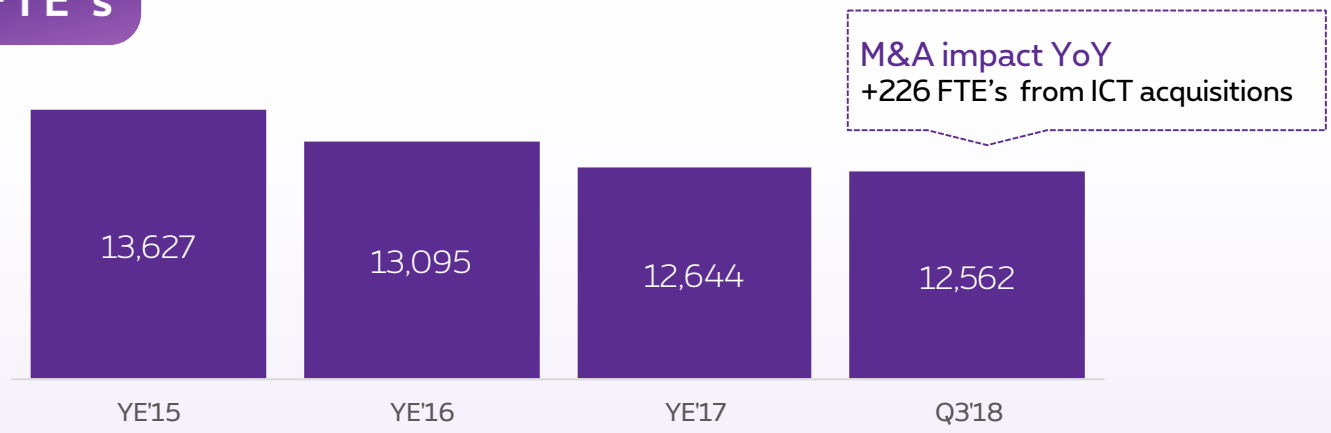
Details of coverage obligations as published by BIPT

Frequency band	Obligations for existing operators	Obligation for new entrant
700 MHz	<ul style="list-style-type: none"><li>- 70% population after 1 year</li><li>- 99.5% population after 2 years</li><li>- 99.8% population after 6 years</li><li>- Speed requirement of 6 Mbps</li></ul>	<ul style="list-style-type: none"><li>- 30% population after 3 years</li><li>- 70% population after 6 years</li><li>- 99.8% population after 8 years</li><li>- Speed requirement of 6 Mbps</li></ul>
900 MHz (Renewal) 1800 MHz (Renewal) 2100 MHz (Renewal)	<ul style="list-style-type: none"><li>- 99.5% of population as from 15 March 2021</li><li>- No speed requirement</li></ul>	<ul style="list-style-type: none"><li>- after 3 years: 30%</li><li>- after 6 years: 70%</li><li>- after 8 years: 99.5%</li><li>- No speed requirement</li></ul>
1400 MHz	No coverage obligation	No coverage obligation
3600 MHz	No coverage obligation	No coverage obligation

# Headcount

Domestic workforce cost benefitting from reduced headcount

## Domestic FTE's



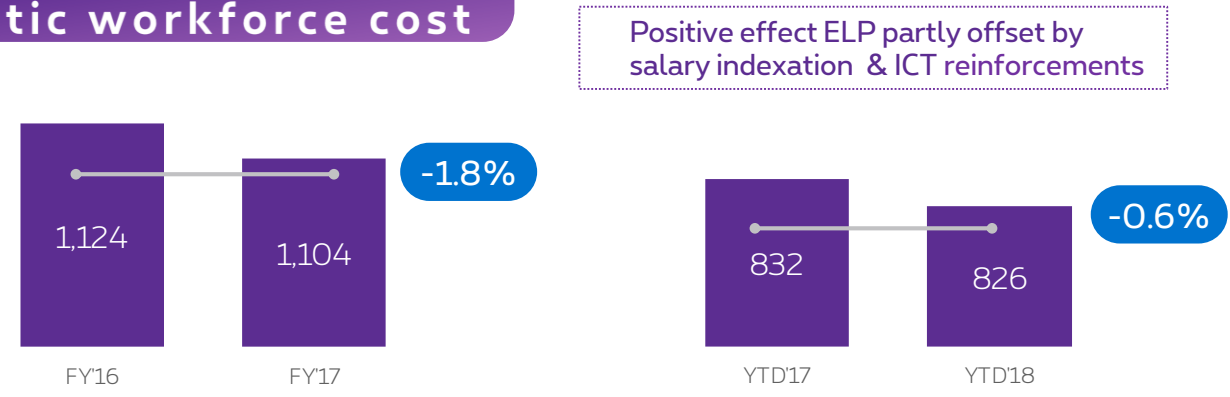
Early Leave Plan & natural retirements leading to ~2,750 FTEs to leave Proximus over 2016-2020

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

End Q3'18, civil servants @ 26% of Domestic headcount

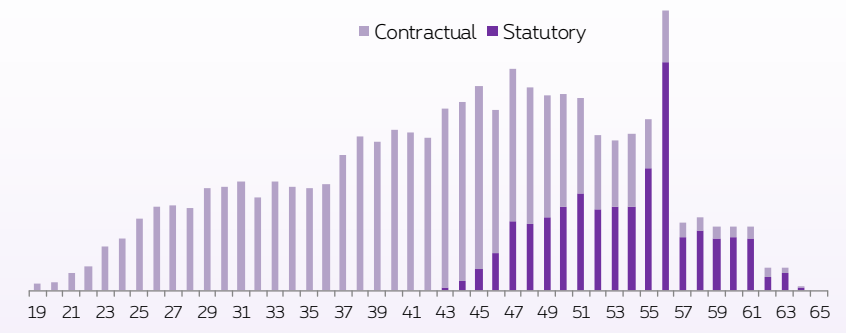
## Domestic workforce cost

(M€)



## Proximus SA age pyramid

(excl. employees opting for Early leave plan & subsidiaries)



# Shareholder structure

Total number of shares

338,025,135

Free-float

42%

Belgian government

54%

	Number of shares	% shares	% Voting rights	% Dividend rights	Number of shares with voting rights	Number of shares with dividend rights
<b>Belgian state</b>	180,887,569	53.51%	56.04%	55.90%	180,887,569	180,887,569
<b>Proximus own shares</b>	15,254,009	4.51%		0.25%		820,036
<b>Free-float</b>	141,883,557	41.97%	43.96%	43.85%	141,883,557	141,883,557
<b>Total</b>	338,025,135	100.00%	100.00%	100.00%	322,771,126	323,591,162

~€ 7.3 Bn  
Market Capitalisation\*

~ 6.7%  
Dividend yield\*

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.

\* 31/10/18

## 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%.

- All financials in the presentation are provided under IAS 18.
  - 2018 figures under IFRS 15 are available as from Q1 2018 in the published quarterly reports and excel factbook.
  - The provided 2018 guidance is under the IAS 18 standard.
  - Exception has been made for the household reporting (X-Play) within the Consumer segment. The financials, and derived ARPH, are provided under IFRS 15, with a 2017 pro-forma comparison.
- 
- The application of GDPR led in Q2'18 to a limited impact on the reported household data for the Consumer segment.
  - GDPR resulted in some information no longer being available to define the composition of households.
  - To ease comparison, the data of the 5 prior quarters has been adjusted accordingly, assuming a stable impact of GDPR over this period
- As a result :
- Total HH/SO serviced by Proximus increased (increase in 1-Play mobile and a limited reduction of 4-Play households)
  - Derived KPI's such as ARPH and RGU have been restated as well, with ARPH and RGU being slightly lower.

# For further information

---

## Investor relations



**Nancy Goossens**

+32 2 202 82 41

Director Investor Relations



**Sarah Franklin**

+32 2 202 77 11

Investor Relations Manager



E-mail: [investor.relations@proximus.com](mailto:investor.relations@proximus.com)



Proximus investor relations website: [www.proximus.com/en/investors](http://www.proximus.com/en/investors)

# Cautionary Statement

---

“This communication might include some forward-looking statements, without limitation, regarding Proximus’ financial or operational results, certain strategic plans or objectives, macro-economic trends, regulation, future market conditions and other risk factors. These forward-looking statements rely on a number of assumptions concerning future events and are subject to uncertainties and other factors, many of which are outside Proximus’ control. Therefore the actual future results may differ materially from those expressed in or implied by the statements.

Readers are cautioned not to put undue reliance on forward-looking statements, which speak only of the date of this communication.

Proximus disclaims any intention or obligation to update and revise any forward-looking statements, whether as a result of new information, future events or otherwise”.

