

Company presentation

Proximus Group

Version – August 2023

Table of content

- Why investing in Proximus
- Who we are
- Our brands & the markets we operate in
- bold2025, a new 3-year strategy
- Key figures Full Year 2022 & dividend
- Contact information

Why investing in Proximus

3



Valuable assets

Nationwide high-quality **Mobile & Fixed networks**, respectively being upgraded to 5G/Fiber.

Open network architecture with growth potential in Wholesale.

International segments Telesign and BICS provide **exposure to strongly growing markets**.

Committed and talented **employees**.



Loyal and growing customer base

Strong, multi-branded **market positions** in Residential and Business.

High Fixed/Mobile **convergence rate** with further upsell potential.

Pricing power supported by strongly improved customer satisfaction and high NPS scores.



Track record of strong strategic execution

#Inspire2022 strategy delivered on all main commitments over 2020-2022.

bold2025, a new 3-year strategy to deliver value for stakeholders.



Sound financial position, & attractive dividend

Strong cost reduction commitment mitigating inflation impact.

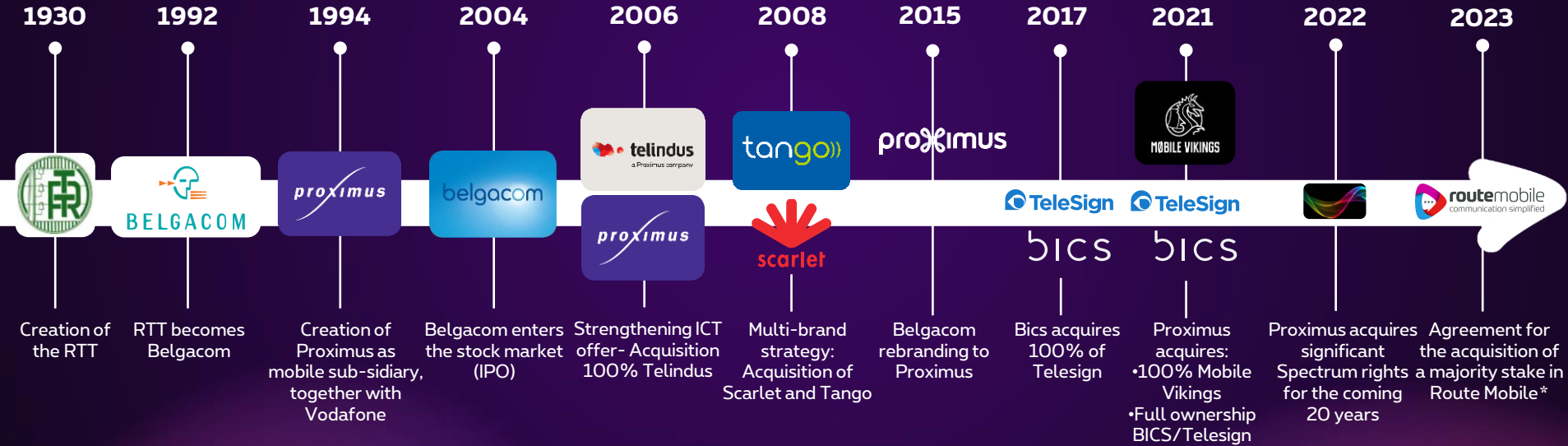
Clear **track to normalised CAPEX** levels post- 2023 peak.
Long-term FCF growth trajectory.

3-year visibility on dividend return.

The image features a dark purple background. A horizontal bar of a slightly lighter shade of purple spans across the middle. On the left side of this bar, there is a circular shape that overlaps with the bar. The text "Who we are" is written in a bold, white, sans-serif font, centered horizontally and partially overlapping the circular shape and the horizontal bar.

Who we are

Proximus is an established company, ready for the future



*Closing expected during the next 6 to 9 months



Our sense of purpose

Boldly building a connected world that people trust **so society blooms**

Our Governance structure



As a *limited liability company under public law*, governance is imposed by the Law of 21 March 1991 on the reform of certain autonomous economic public companies ("the 1991 Law"). For matters not explicitly regulated by the 1991 Law, Proximus is governed by the Belgian Code of Companies and Associations of 29 March 2019 ("the Belgian Code of Companies and Associations") and the Belgian Corporate Governance Code of 2020 ("the 2020 Corporate Governance Code").

Our governance model: Board of Directors

14 Board members

50% independent

6 Women / **8** Men

Board members are appointed at the AGM upon proposal by the Board of Directors after recommendation of the Nomination and Remuneration Committee for a renewable term of up to 4 years, with max. 12 years.

To enhance diversity, gender, age and nationality are taken into account when appointing a new board member.



Stefaan De Clerck
Chairman



Martin De Prycker



Cécile Coune



Catherine Rutten



Karel De Gucht



Béatrice de Mahieu



Joachim Sonne



Guillaume Boutin
CEO



Ibrahim Ouassari



Claire Tillekaerts



Agnès Touraine



Audrey Hanard



Catherine Vandendorre



Luc Van den hove

Our executive committee

(the leadership squad)



Guillaume Boutin
CEO



Jan Van Acoleyen
Human Capital Lead



Geert Standaert
Network & Wholesale Lead



Mark Reid
Finance Lead



Dirk Lybaert
Corporate Affairs Lead



Anne-Sophie Lotgering
Enterprise Market Lead



Renaud Tilmans
Customer Operations Lead



Jim Castele
Consumer Market Lead



Antonietta Mastroianni
Digital & IT Lead

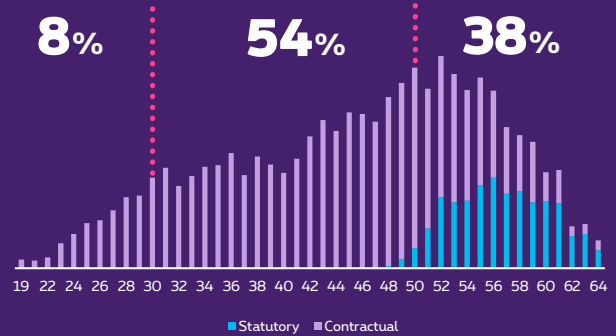
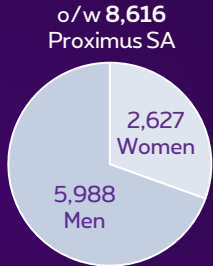
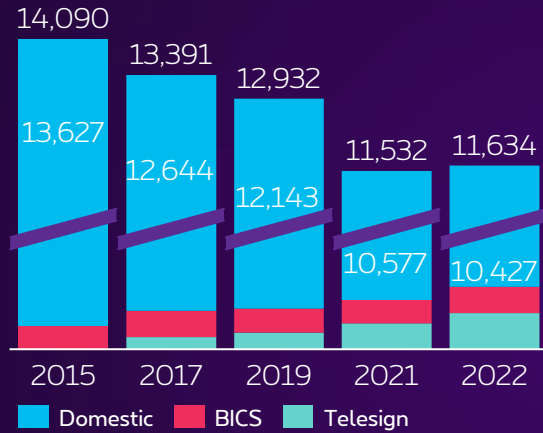
As a group, we employ 11,634 FTEs

10

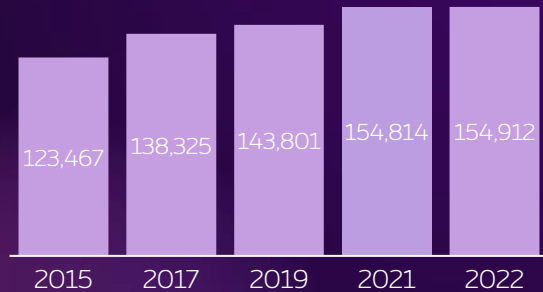
Average
46YR

Age pyramid
(Proximus SA – end 2022)

Higher efficiency & digitalisation allowed for the Domestic headcount to decrease..



... resulting in a higher Underlying EBITDA per FTE (€)



Engaged employees

80%
Proud to work for Proximus

77%
Recommend Proximus as a great place to work

Shareholder structure

Situation 31/12/2022

11

Total number of shares

338,025,135

Free-float

42%

Belgian Government

54%

Market Capitalization

~€ **2.9**Bn

Dividend yield

~**13.3%**

	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%	56.11%	55.99%	180,887,569	180,887,569
Proximus own shares	15,632,628	4.62%	0.00%	0.21%	0	693,702
Free-float	141,504,938	41.86%	43.89%	43.80%	141,504,938	141,504,938
Total	338,025,135	100.00%	100.00%	100.00%	322,392,507	323,086,209

The voting rights of all treasury shares are suspended by law. Proximus has 14,938,926 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%.

**Our brands and
the markets we
operate in**

Our complementary brands

meet the demands of a wide range of customers



In the Residential market, we are a national mobile leader, and challenger for Fixed Internet in Flanders

PROXIMUS Brands



☎️ 📺 📱

- National player
- Challenger for Fixed in North
- Leader for Fixed in South
- National leader for Mobile



☎️ 📺 📱

- National challenger for Fixed & Mobile
- No-frills provider



☎️ 📺

- National challenger for Mobile
- Fixed Internet offer launch Jun-22

Digi, in partnership with Citymesh, said to become a new player in Belgium following the acquisition of reserved Spectrum in the 2022 auction .



- National player
- Mobile network operator
- Offering Fixed services via Cable Wholesale
- In process of acquiring VOO



- Cable player in North & 2/3 of Brussels
- Leader in North for Fixed



- Cable player in South & 1/3 of Brussels
- Challenger for Fixed & Mobile
- Acquired by Orange Belgium (pending legal validation)

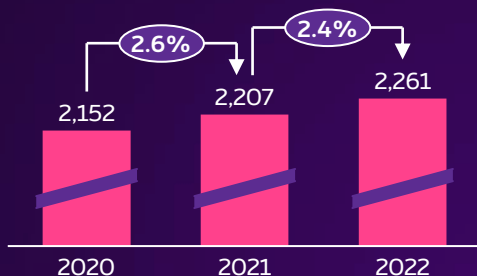
MVNOs 📱

- About 30 MVNOs
- Challengers for Mobile

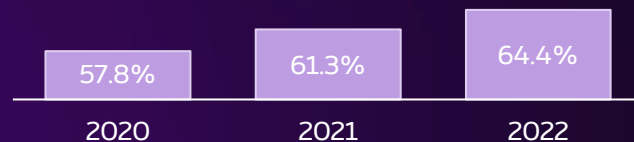


Our residential unit grew 2022 revenue by 2.4%

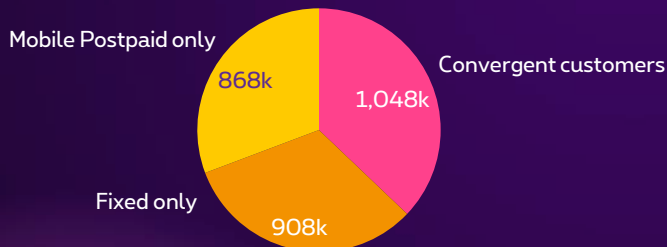
Revenue
FY'22 of
2,261M€



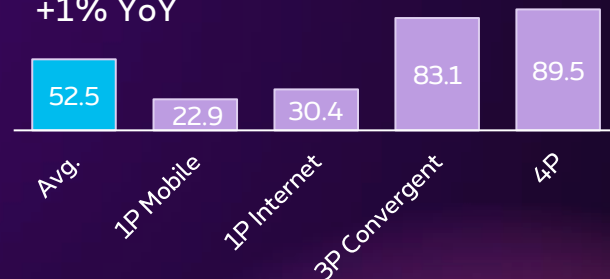
Increasing number of customers take both Fixed and Mobile products.



2,823K
customers,
under 3
brands:



Overall ARPC at 52.5€ in 2022;
+1% YoY



End'22: 1,736k lines



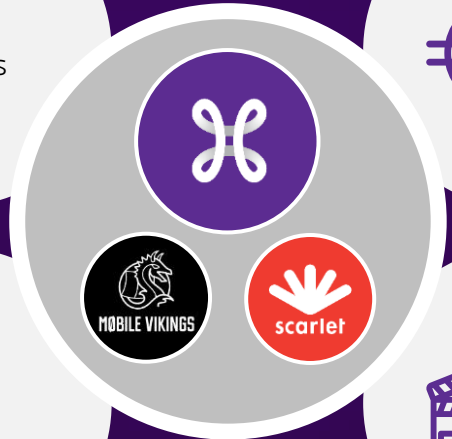
Postpaid

End'22: 2,720k SIM



End'22: 1,136k lines

In Residential, the **fiber commercialisation, pricing power, convergent strategy & premium content** drive growth



Fiber commercialization

- > +2pp market share gains in fiber zones after 12m¹
- > >€7 ARPC uplift fiber vs. copper²



Pricing power

- > Price indexations of €3-4 on internet in January '23



Convergent strategy

+60%

Convergent customers in 22 Q3

- > >15% less churn across residential brands
- > >2X higher NPS for Proximus Brand



Premium content to increase stickiness



Aggregated entertainment services



Aggregated relevant daily services

(1) Based on average market penetration difference between month 0 & month 12 after 2020 deployment, only considering digital customers; (2) RES + SE; Excluding impact of promotions

In the Business market, Proximus holds a solid position in Telco, and is challenger in a very fragmented IT market

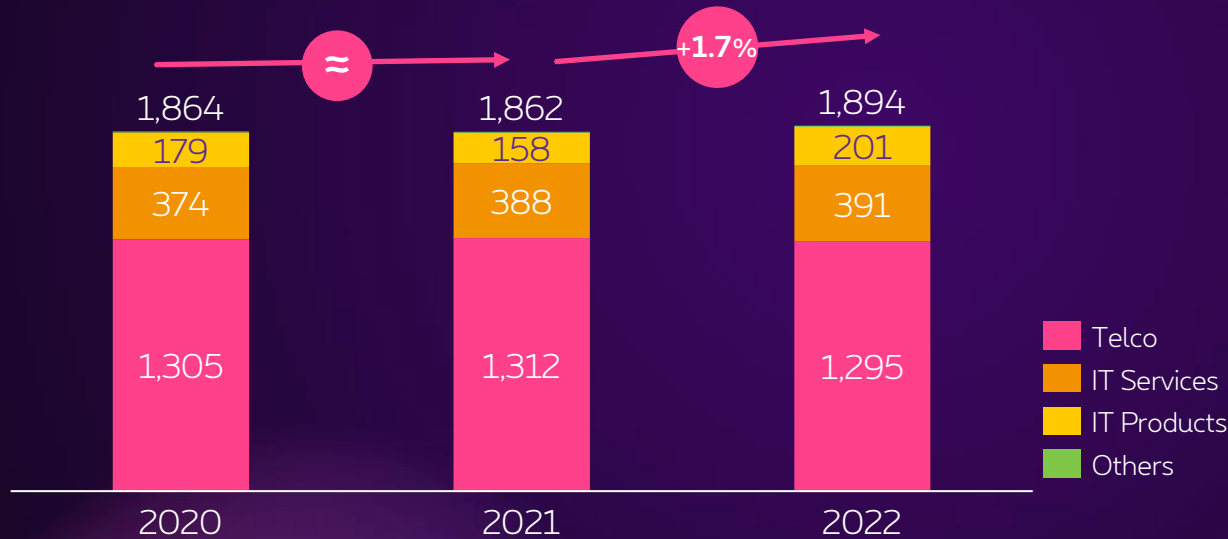
proximus

- Maintains solid position in Telco market.
- Belgian market leader for fixed as well as mobile, for both SME & COR customers.
- Challenger on fragmented IT market & differentiate in convergent services versus traditional Belgian Telco's.
- Strong IT offer supported by affiliates, who continuously prove to be a cornerstone in Proximus' growth strategy.



The Business unit returned to growth in 2022, one year earlier than planned

Revenue FY'22 of 1,894M€



The B2B customers we service:

- Small enterprises
- Medium enterprises
- Corporates



End'22: 438k lines



Postpaid

End'22: 1,797k SIM

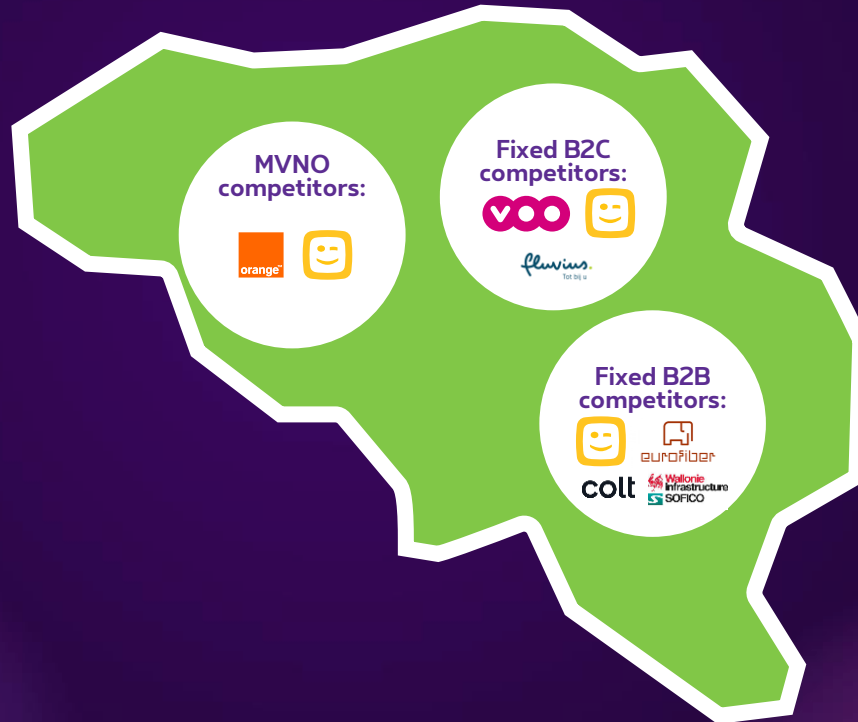


End'22: 627k lines

Enabling players in the Wholesale market, thanks to the open best network.

proximus

- The only national fix-mobile player, building the open fiber and 5G network of reference for Belgium.
- Solid position in the Wholesale telco B2B market, mobile backhauling, traditional voice as well as MVNO business.
- Challenger for the fixed B2C market.



Proximus operates internationally through its subsidiaries Telesign and Bics



Fast growing leader in digital identity services to internet properties, digital champions and cloud native businesses and with a growth path in programmable communications.



Global leader in digital communications, cloud communication, Mobility, Roaming and IoT, targeting the business-critical needs of telco operators, xVNOs, enterprise software providers and global enterprises.



PDF: Proximus acquires full ownership of BICS

Telesign is a leading Authentication and Digital Identity player

21

Business Overview

Telesign offers solutions across the full spectrum of end user account security, communications and engagement

Platform to protect and engage users with SMS and voice messaging, Mobile SDKs, and Data and Analytics APIs

Primarily usage-based revenue model with minimum commitments and other features

Global Footprint

65+

Countries with active customers



~35%

Revenue¹ outside the US



~700

Employees²



Sticky Blue Chip Customer Base

8/10

Top internet companies are customers³



130%

Average Net Retention Rate⁴



Strong Technological Moat

TOP

Company in the Gartner leader quadrant for user authentication

35+

Patents in mobile identity and MFA



21Bn+

Annual transactions verified p.a.



Excellent Financial Profile

473M€

2022 annual revenue

35%+

Revenue CAGR⁵



Profitable business model



1. 2022 Revenue

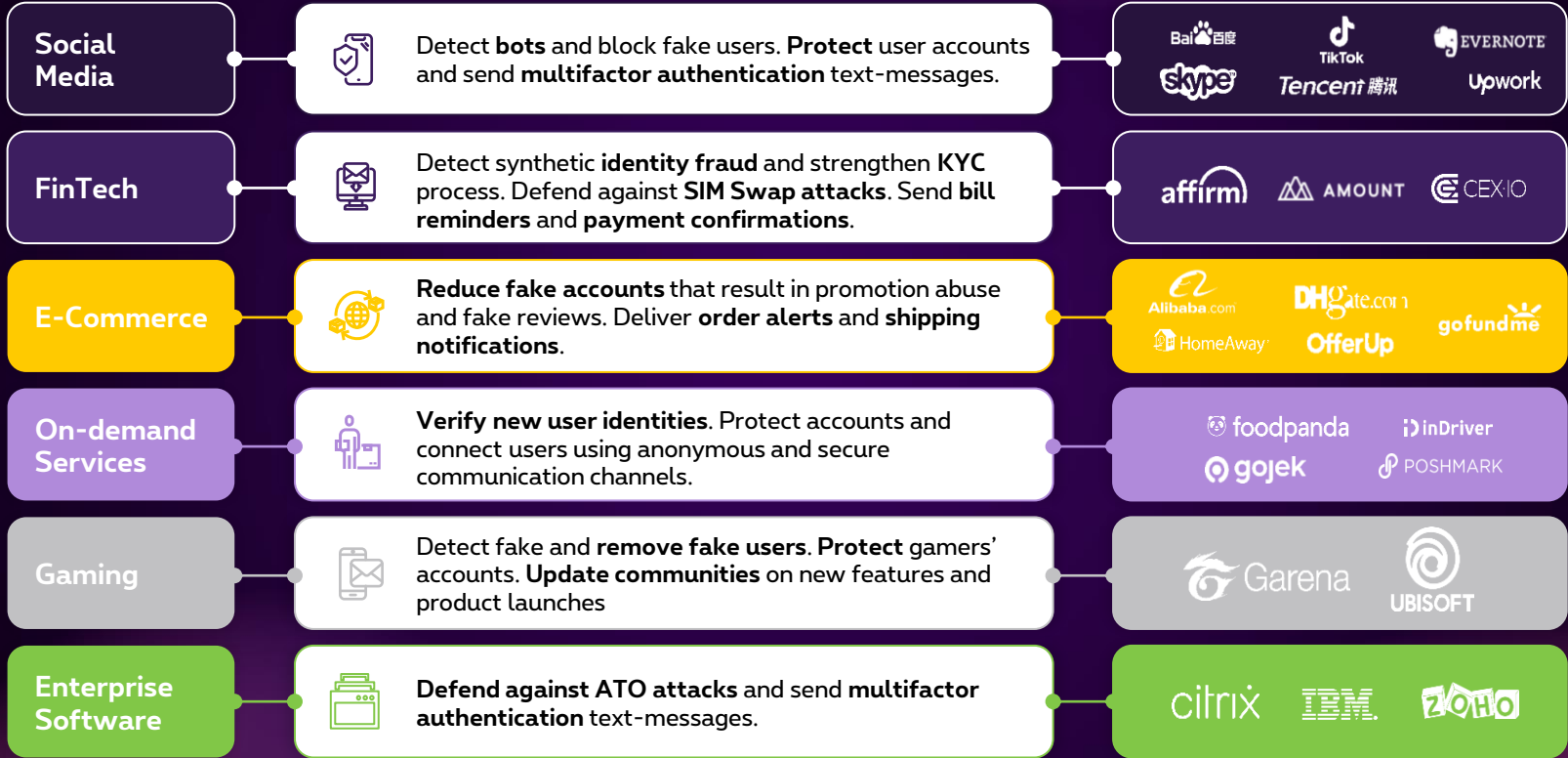
2. 2022

3. Based on market capitalization

4. 2022 Net Retention Rate

5. Telesign's revenue in USD 2019-22A CAGR

You interact with Telesign to...



BICS makes international communications possible

Connecting 5+ billion mobile subscribers



Providing seamless cloud communications for applications in 120+ countries



BICS' network spans 200+ countries



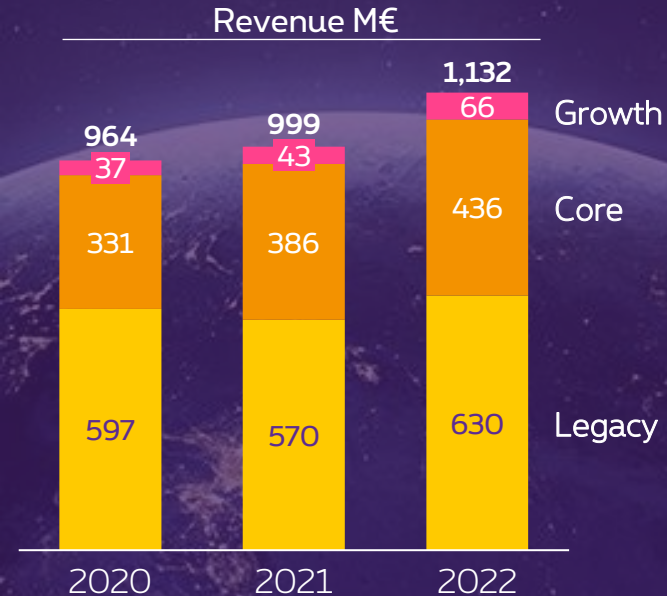
Enabling the global mobility of 150+ million devices



More information on BICS: www.BICS.com

BICS is at the heart of international connectivity, enabling the global mobility of people, applications and things wherever they are

23



Direct margin **263 M€**
EBITDA **120 M€**

Customers & partners work with BICS for...

Selection of our customers & partners

Telco

Enterprises

Legacy

Voice



Allow **Voice call** delivery worldwide



Google

Core

Messaging



Deliver **alert, reminder, notification** messages sent by Enterprises (e.g. airlines company) to their consumers



Roaming enablement



Enable travelers to connect and call their home and the world when travelling abroad



Growth

Cloud com



Enable application providers to offer mission critical voice, messaging services from their apps



IoT



(e)SIM embedded in objects (cars, devices, ..) to allow seamless calls / internet access when crossing borders



Anti-fraud & Analytics



Detect fraud / provide statistics on travelers' behaviour through the analysis of traffic data



Mobile private Network



Provide **connectivity and interoperability** to enterprise building their own **4G & 5G** enabled private network



bold2025

**Proximus' new
3-year strategy**

We deliver
great value for
our stakeholders

through **exceptional**
strengths

bold 2025

**Boldly building a
connected world**
that people trust
so society blooms



Act for an inclusive **society** &
be **sustainable** in everything we do



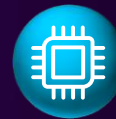
Delight customers with
unrivalled experience



Grow profitably **locally** &
globally through strong brands



Roll out **#1 gigabit network**
for Belgium



Engineer **technology assets**
to enable digital ecosystems



Foster an engaging **culture** &
empowering **ways of working**



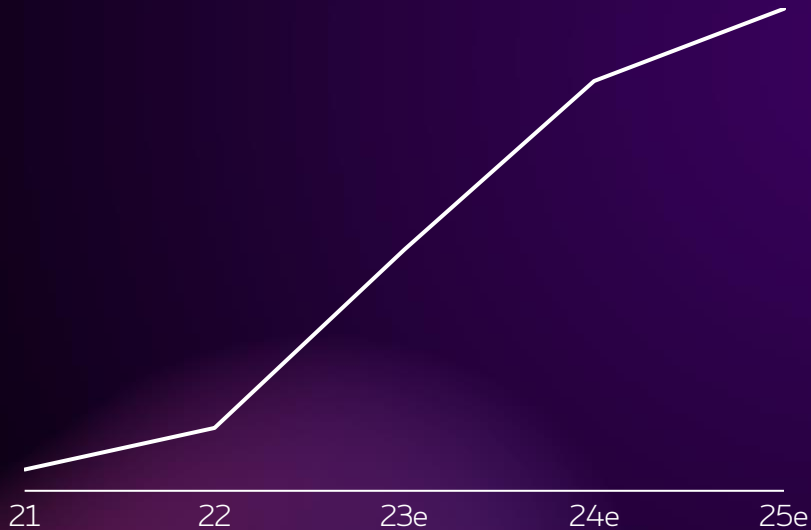


On mobile, Proximus will continue its leadership and differentiate from competition via rapid 5G roll-out

27

5G population coverage

100%



Acquired **significantly more spectrum than competition**



Expand **innovation capabilities**
e.g. slicing & low-latency



Outphase 3G by the **end of 2024**



Ramp up benefits from **MWingz** RAN consolidation

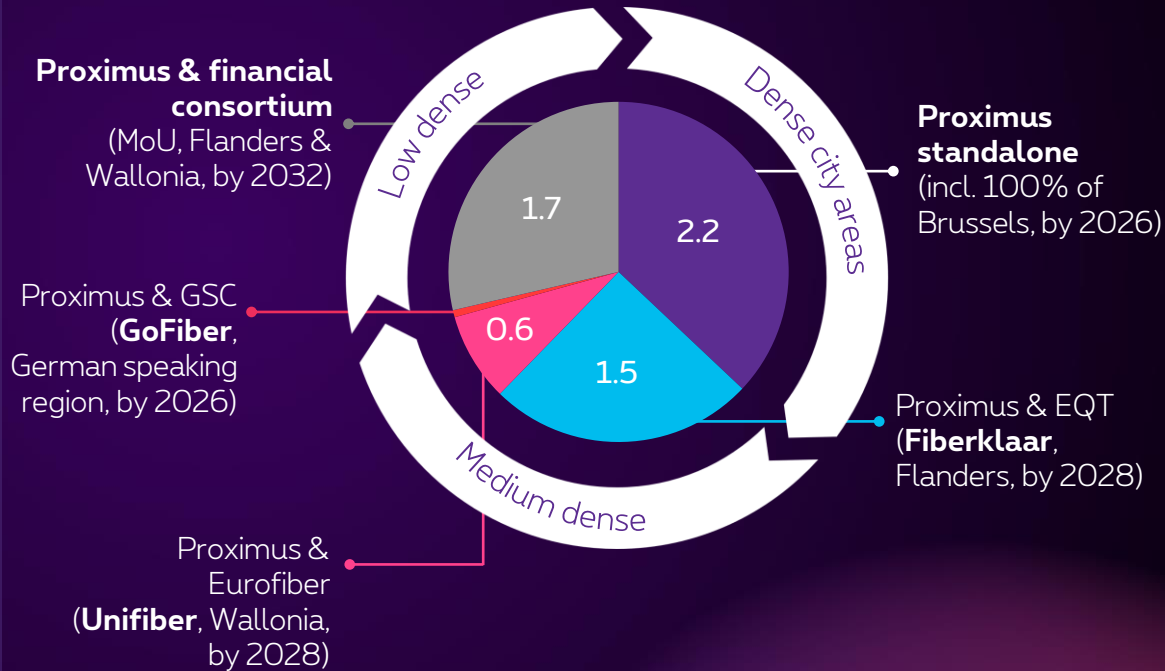


Proximus ambitions to extend its **fiber coverage to 95%** of Belgian premises by 2032, together with its Fiber partners.

Benefits:

- ✓ 1st mover advantage
- ✓ Long term security for Fiber partners ensuring better capacity & prices
- ✓ Customer acquisition/retention
- ✓ Scale of build efficiency
- ✓ Copper decommissioning

~6M HP*
ambition by 2032



* Total of premises past with Fiber, Residential & Business

Proximus closed end-June 2023 with > 25% fiber coverage



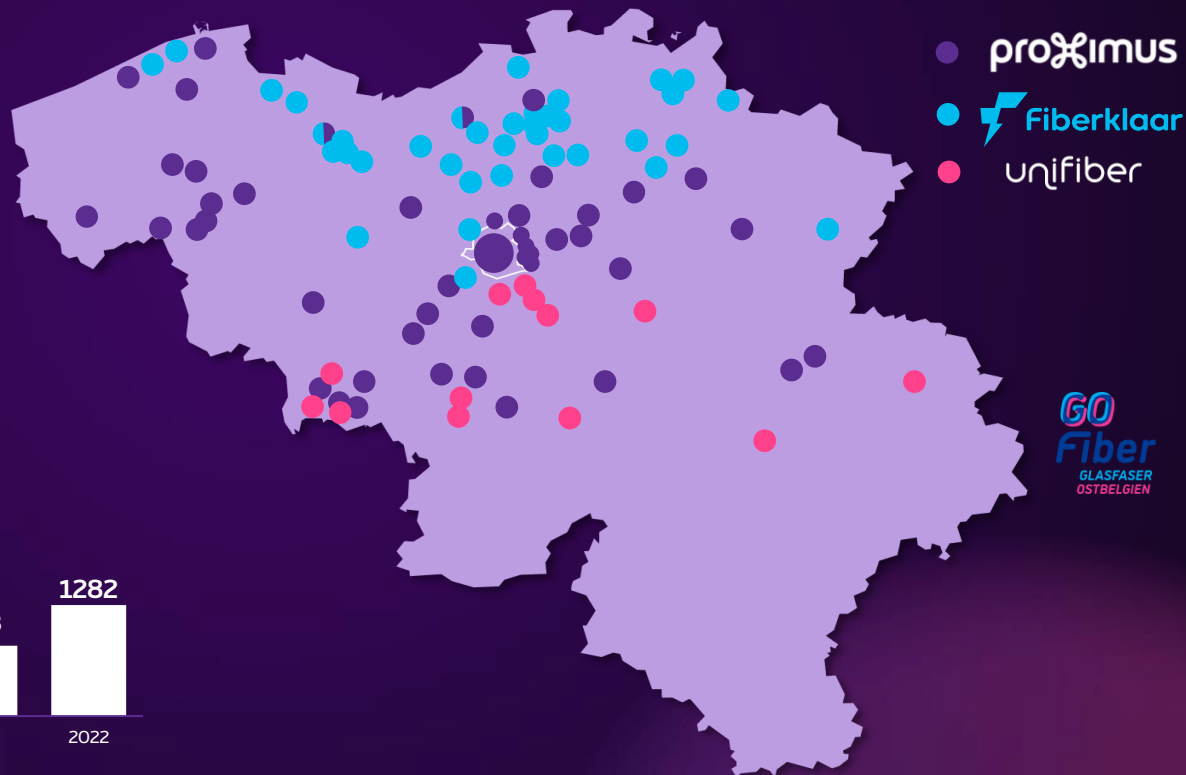
29



115
Cities

50%

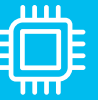
Fiber coverage
target end-2025



GO
Fiber
GLASFASER
OSTBELGIËN

Fiber Homes & Businesses
passed ('000)





The Proximus domestic IT modernization is well on track, unlocking cost savings on the way

Key achievements and milestones for 2025



Simplified digital layer & refactored channels to reduce time to market & enable customer experience improvements



Single ordering chain for high-volume products (residential to SME) with high level of automation



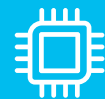
State-of-the-art data platform providing real-time access to data with high level of quality and security



Modernization of private cloud environment offering 'Infrastructure as Code'

Next to accelerating innovation, our IT modernization will bring a ~€70M¹ reduction in Total Cost of Ownership by 2025

(1) OPEX & CAPEX



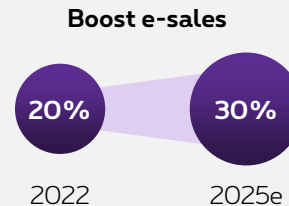
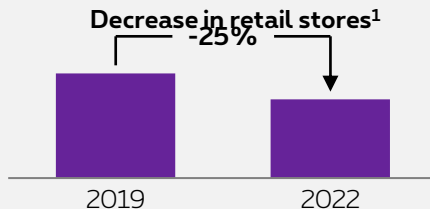
Further advancing digital channels

to improve customer experience & shift to e-sales / e-servicing

Streamline our e-sales & e-service channels

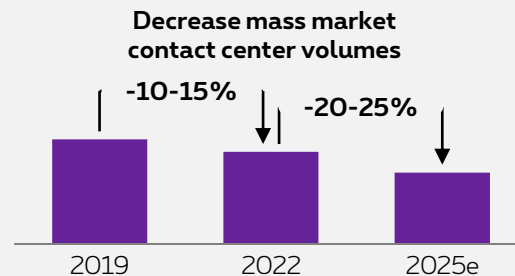
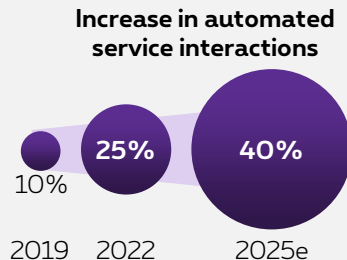


Simplify & optimize the webshop



Enrich MyProximus app with new service use cases

Improve and extend functionalities of chatbot



(1) Exclusive Proximus retail stores

The Proximus **agile transformation** is gaining speed, simplifying the organization drastically



32



Agile transformation

2019-2022

Tribes: +4,000 employees
Service circles: +800 employees

2023

Agile for teams: +1,000 employees

2024-2025

Scaling & finetuning of new ways of working & the organization



Putting an even larger focus on customer centricity



Improve customer-centricity
#1 brand NPS
across segments by 2025



Reduce time to market
Development time -25%
on average by 2025



Elevate employee engagement
Employee engagement at +75%
during 2023-2025



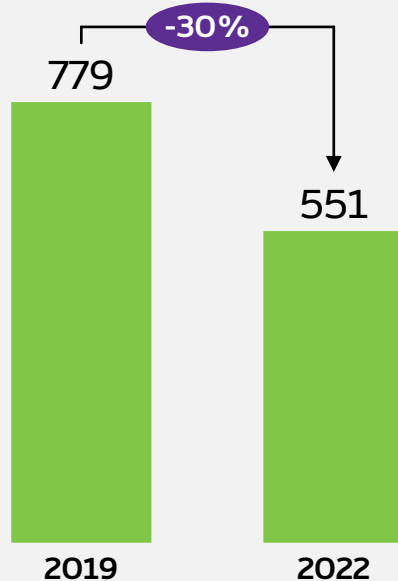


Proximus goes all-in for **Net Zero CO₂** across the value chain **by 2040** and **will be truly circular by 2030** by acting **NOW**

33

Towards Net Zero CO₂ by 2040

Proximus CO₂ footprint in KTONs (Scope 1+2+3)



Be truly circular by 2030



Devices

- > **Eco-centric design** of CPEs
- > **Refurbished** phones & **call for recycling**



Network & Data centers

- > **Eco-centric design** data center
- > **Network sharing** between operators



Real Estate & Facilities

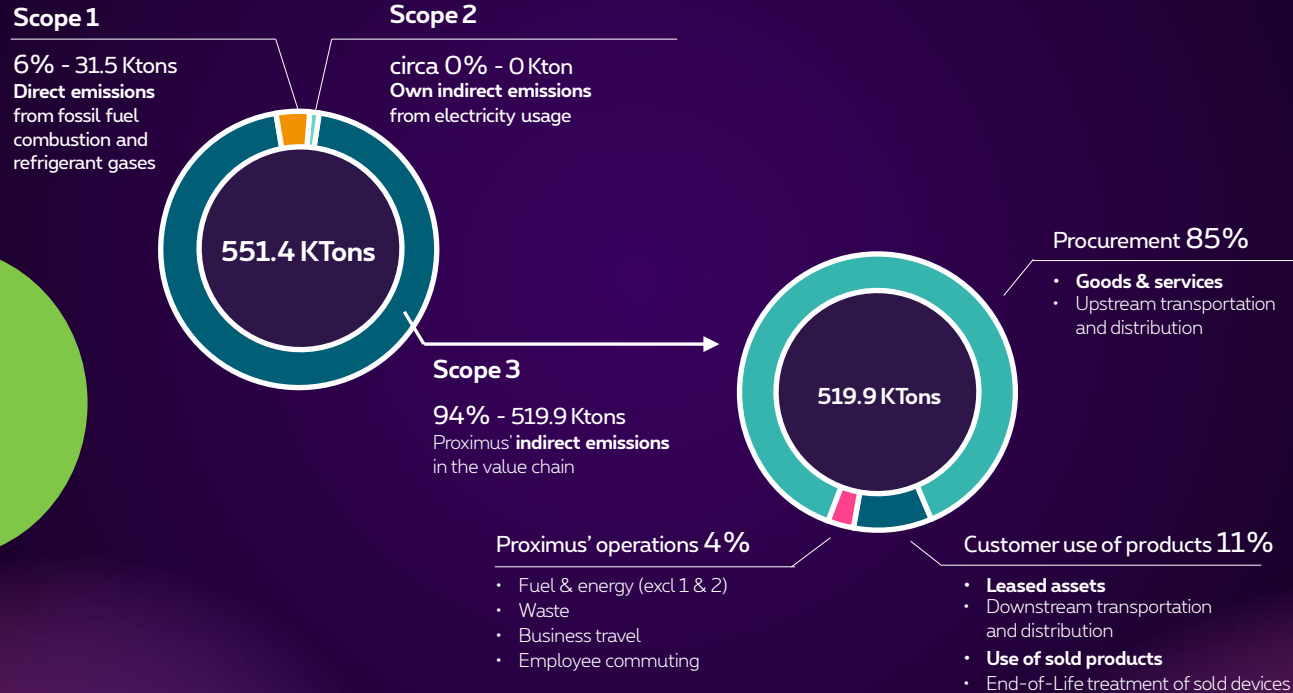
- > **New circular headquarter** building – “CAMPUS”
- > **Refurbished offers** for furniture and assets



Proximus direct emissions limited to 6% of total

34

Breakdown of Proximus CO2 footprint in 2022



(rounded figures)



Strong in recycling and refurbishment

+120,000
smartphones collected
in 2022

Encourage customers to collect mobile devices and we are launching more and more proposals for smartphones



72 sites dismantled in
2022 through **MWingz**

Share our network and structurally recycle network equipment



+683,000
refurbished equipment
in 2022

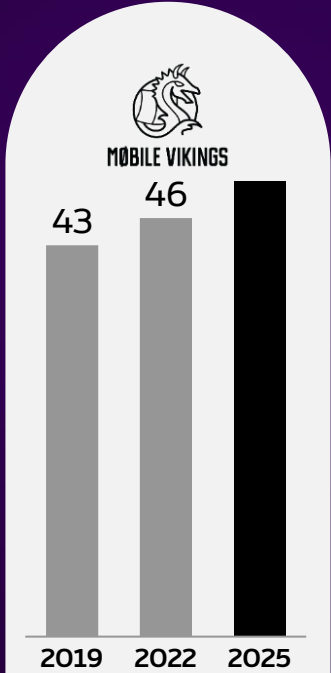
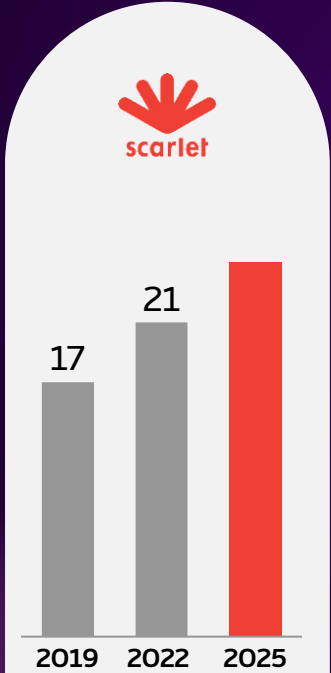
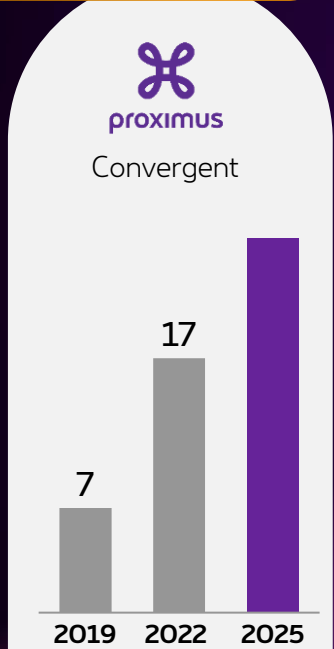
Reduce use of raw materials by leasing and renting equipment from customers and collecting used or defective equipment



Achieving #1 in customer experience and NPS across segments

36

Brand NPS



Superior connectivity experience



Digital-first, while valorizing human contact when it matters



Voicebot/
chatbot



Multi-disciplinary
service circles



Anchoring continuous improvement on customer feedback

Gold award winner 2021 – Best Use of Insight & Feedback





BICS & Telesign offer innovative platforms

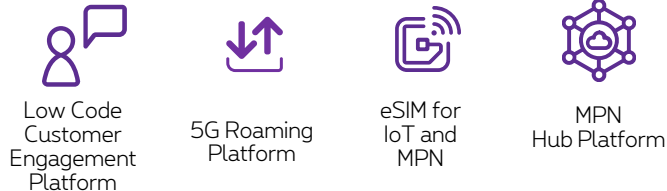
in synch with customer feedback & new industry trends



Enabling mission critical services



Product innovations



Continuous Trust



Product innovations



Aiming for profitable growth, locally and internationally



38



Win-back & expand in Domestic

Continue **commercial momentum** driven by **market share gains, increased revenues per customer**

Exploit **1st mover advantage** in **fiber** roll-out with a **head start** in **capabilities**

Mitigate inflation with **upscaled cost efficiency** program

Drive **FCF recovery** through a growing EBITDA as of 2024 and return to **normalized CAPEX** levels



Accelerate International growth

Consolidate leadership in **digital communications** via an **advanced platform with global reach**

Lead in digital identity at the intersection of enterprises & consumers via **differentiated product suite**

Expand into **new geographies & products**

Boost **FCF contribution** thanks to **high single digit Direct Margin growth** and **low CAPEX intensity**

Major step in International segments strategy, becoming one of the worldwide leaders in digital communications

39



Agreement for acquisition of controlling interest of $\geq 57.56\%$ in Route Mobile. Highly value accretive transaction, with high product and footprint complementarity between Route Mobile and Telesign expected to bring significant EBITDA synergies. (announced 17th of July 2023)

#3

Materially gaining scale:
Moving into Top 3 of Global CPaaS market¹.

GLOBAL

Route Mobile's strong presence on India sub-continent highly complementary to Telesign, along with cross selling potential of product portfolios.

90_M

Estimated EBITDA synergy potential of $\geq \text{€}90\text{M}$ at run rate; $\frac{3}{4}$ cost synergies.

15%

Combined EBITDA margin: expected to grow to a best-in-class 13%-15%.

[For the full transaction presentation click here](#)

1 - in terms of volumes (total nr of messages)

Bold2025 is a growth strategy

creating long term value

2022-2025

bold 2025

**Boldly building a
connected world
that people trust
so society blooms**



GROW domestic **revenue** &
RETURN domestic **EBITDA** to the level of 2022 by 2025



ACCELERATE international EBITDA, incl. **Direct Margin**
growing at high single digit CAGR



GROW group **EBITDA** as from 2024, with
2025 Group EBITDA slightly above the 2022 level



RETURN to **normalized CAPEX levels** post-2023 peak



MAINTAIN a sound financial position with
Net debt/EBITDA ratio between 2.5x and 3.0x by **REBASING**
dividend as from 2024



COMMIT to long term FCF growth trajectory

Note – ambition metrics are on underlying basis

Key figures FY 2022



Key financial figures 2022

FY 2022

€ **5,909**^M

Underlying
Group revenue
+5.9% YoY

€ **3,722**^M

Underlying
Group direct margin
+4.0% YoY

€ **1,786**^M

Underlying
Group EBITDA
+0.8% YoY

€ **1,305**^M

Group CAPEX
(excl. Spectrum &
football rights)

1.5x Proximus definition

2.3x S&P definition
Net debt/EBITDA

€ **181**^M

Adjusted
Free Cash flow

€ **450**^M

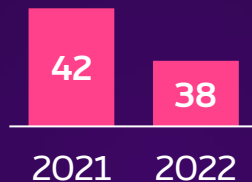
Net income
+1.5% YoY

Growing Domestic Internet and Mobile Postpaid customer base

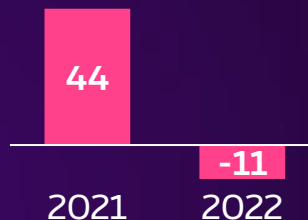
supporting revenue, while containing TV decline.



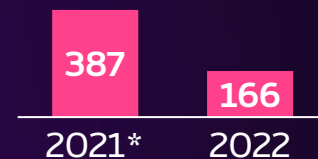
Net adds Group ('000)



Total base Group ('000)



Postpaid

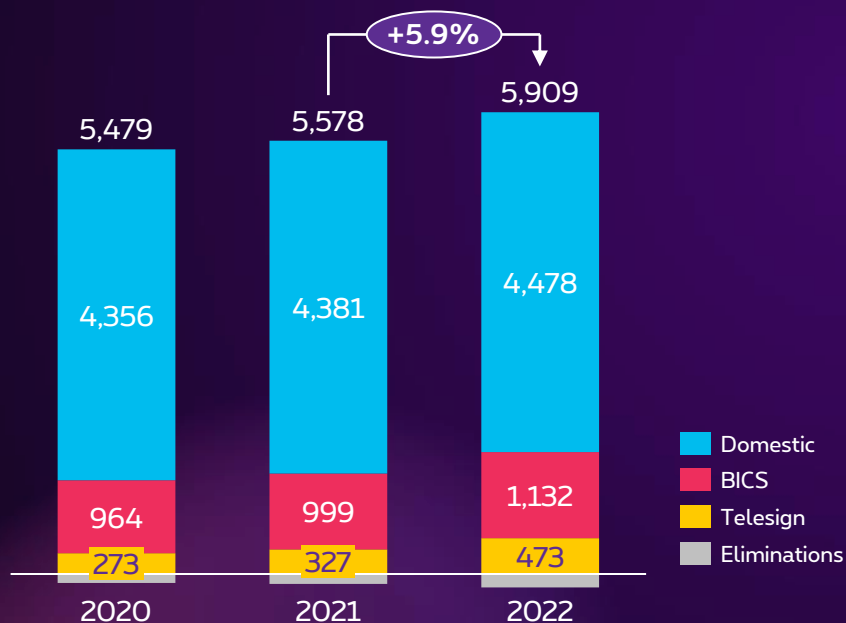


*Incl. acquisition of Mobile Vikings in June '21, 191K

>75% of the Group revenue is
Domestic, International
generated € 1.6Bn

Group revenue FY 2022

€ **5,909**M



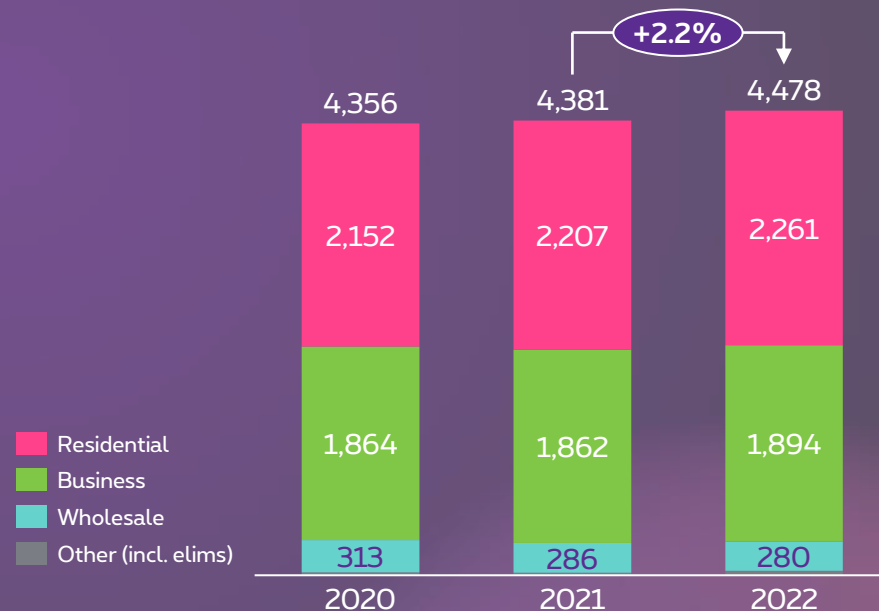
Domestic topline

mainly generated by Residential & Business customers

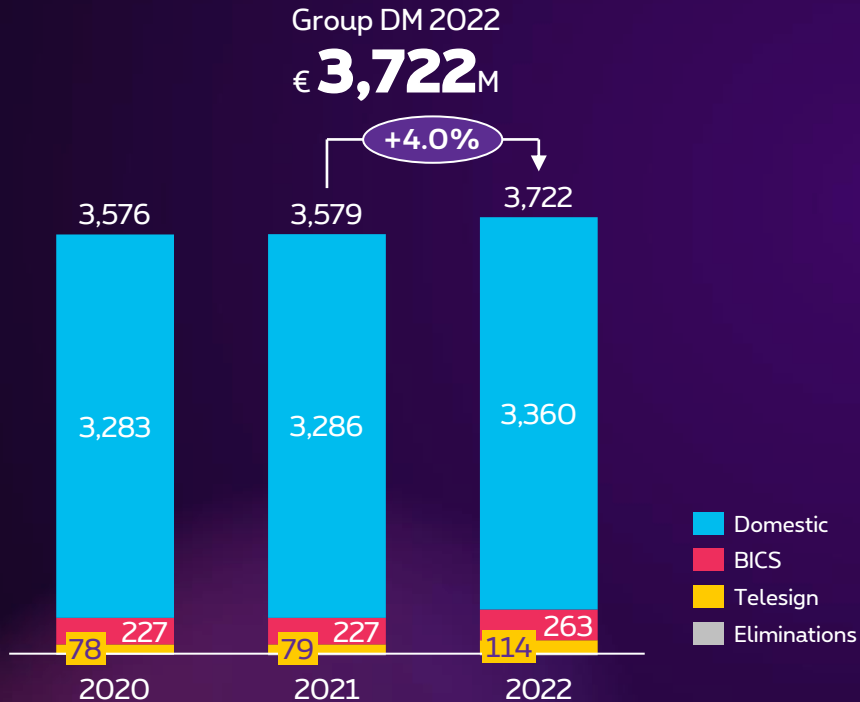
44

Domestic revenue FY 2022

€ **4,478**M



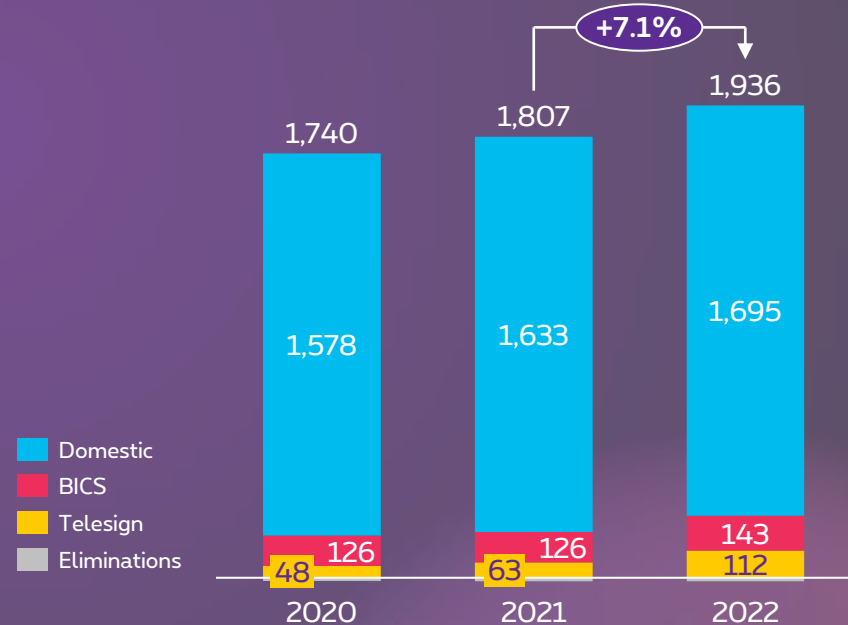
The Group direct margin is
63% of revenue,
and 75% for Domestic



The Group operating
expenses totaled € 1.9bn,
€ 1.3Bn workforce related

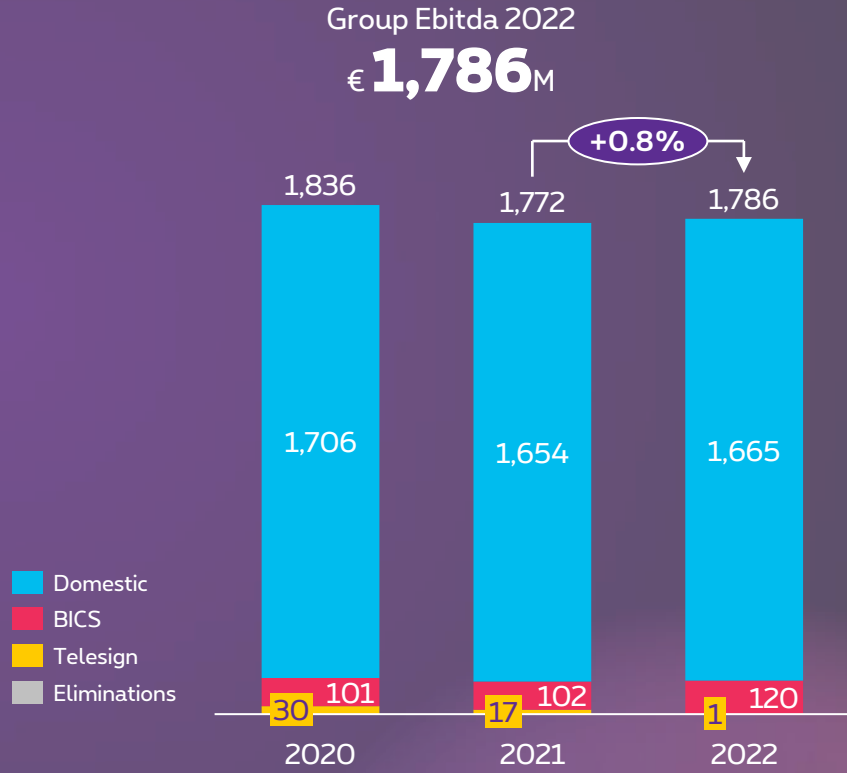
Group Opex 2022

€ **1,936**M



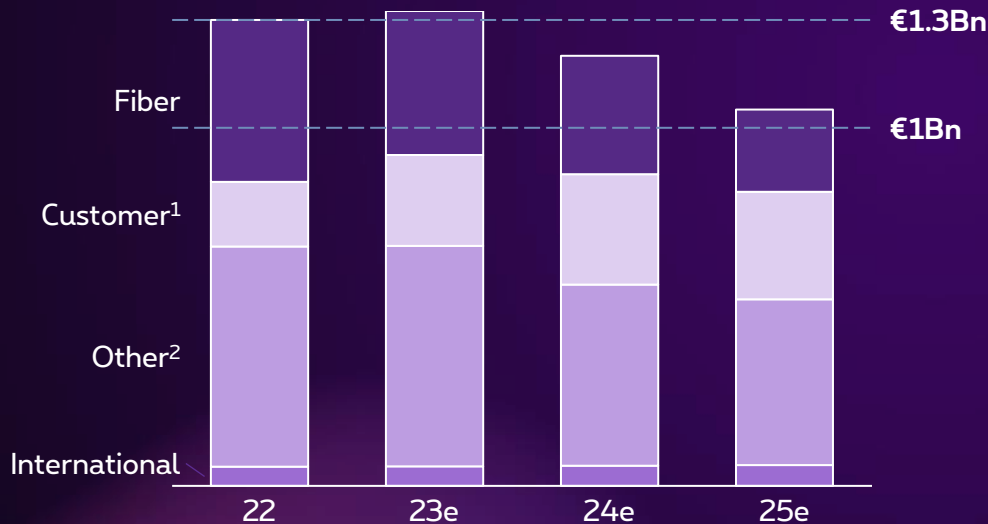
Group EBITDA €1,786M,
+0.8%YoY
with cost efficiencies mitigating
inflation impacts.

2022 EBITDA margin at 30.2%.



Proximus invested € 1.3Bn³ in 2022, with path to normalizing levels post 2023 peak.

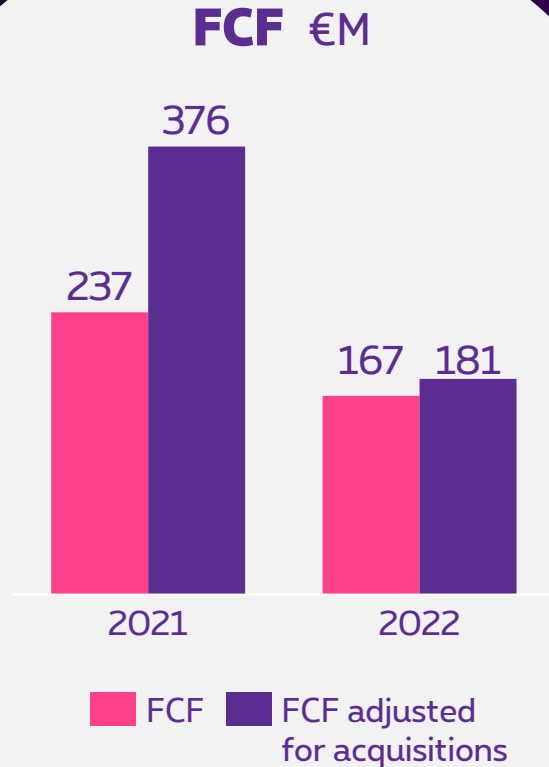
Group CAPEX breakdown



- **Fiber roll-out** in standalone peaked and to slow down, with Fiber JVs to step up pace.
- Increase in Fiber customer **termination and activation cost**
- **IT**-transformation and Digitalization
- Ongoing implementation of **Mobile network consolidation**

(1) Incl. Fiber Termination & Activation Capex, Modems, Boosters & STB Capex
(2) Incl. CAPEX a.o for Mobile, IT, telco platforms, network Renewal, Content and other
(3) Excl. Spectrum & football rights

FCF of 2022 reflecting increased Fiber investments



Accelerated Fiber rollout, with 32% more homes passed with Fiber compared to 2021 is a main driver for the decrease in adjusted FCF

Keeping a sound financial position and securing long term debt

2,758 M€

Adjusted Net Debt end'22
(excl. lease liabilities)

2.3 x

Net debt / EBITDA
(S&P definition) at
year-end 2022

>99% of outstanding LT debt
at fixed rate refinancing



PDF: EUR 500 million Bond

Credit ratings

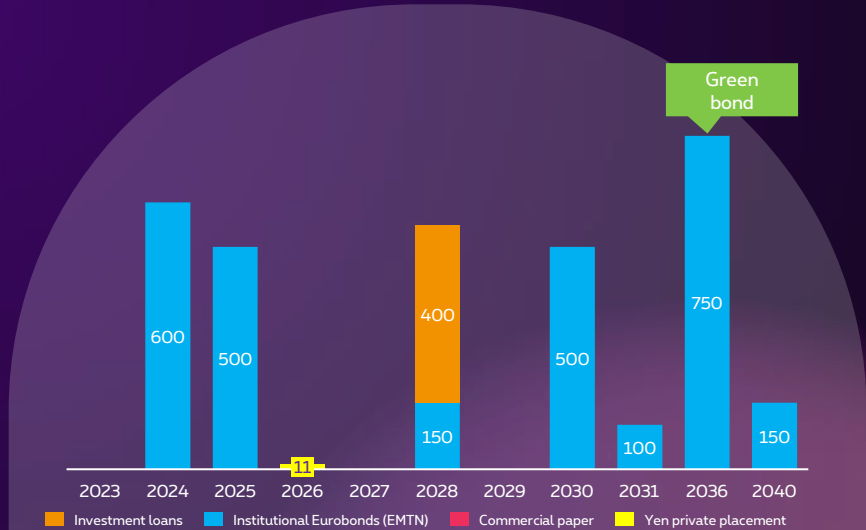
S&P BBB+ (stable outlook)
Moody's A2 (stable outlook)

2 %

Weighted average
coupon
(long-term only)

7 Yr

Weighted average debt
duration
(long-term only)



2023 outlook

50

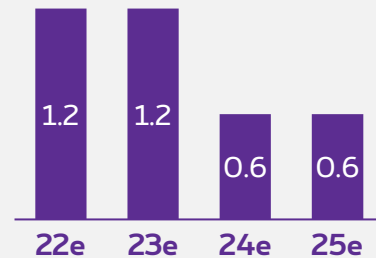
Guidance metrics	FY2022	Outlook	Outlook
		FY 2023 16 January 2023	FY 2023 28 July 2023
Underlying Domestic revenue	€ 4,478M	+ [1-3%] YoY	Upper end of +1% to +3% YoY
Underlying Domestic EBITDA	€ 1,665M	Around -3% YoY	Around -3% YoY
International Direct Margin ¹	€ 377M	High single digit growth	High single digit growth
Underlying Group EBITDA	€ 1,786M	Around -3% YoY	Around -3% YoY
Capex (excl. Spectrum & football rights)	€ 1.3Bn	Peak at around € 1.3Bn	Peak at around € 1.3Bn
Net debt / EBITDA	1.5X (Proximus) 2.3X (S&P)	Around 2.6X (S&P)	Around 2.6X (S&P)

¹International Direct Margin: Telesign Direct Margin plus BICS Direct Margin
Company FY projections on DM exclude currency fluctuations on Telesign

We maintain a stable dividend of €1.2/share for 2023 while ensuring a sound financial position by rebasing dividend as of 2024

Dividend: over the result of 2023 of €1.2/share, for 2024 and 2025 €0.6/share

Dividend/share in €, accounting view



Note: Subject to AGM approval. Cash dividend/share to be paid out as follows:
 Calendar years 2023 & 2024: €0.7 normal + €0.5 interim on running year, for total of €1.2/share;
 Calendar year 2025: €0.1 normal + €0.3 interim 2025, for total of €0.4/share;
 Calendar year 2026: €0.3 normal (remainder of dividend over 2025)

The **rebased sustainable** dividend incorporates

- > All currently known macro and inflationary headwinds.
- > Expected changes in the market structure.

Keeping sound debt levels, ensuring flexibility to further grow our business.

Contact Investor Relations

52



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Relations website:
www.proximus.com/en/investors

Additional information



- Most recent results publications: [Quarterly results | Proximus Group](#)
- Annual report: [Annual reports | Proximus Group](#)
- CMD: [Ad hoc | Proximus Group](#)
- ESG: [ESG achievements - Environmental, social and corporate governance | Proximus Group](#)
- BICS: www.BICS.com
- Telesign: www.telesign.com