

# Results presentation

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**FY 2018**

**proximus**

# Cautionary Statement

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“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”.

# What have we achieved in 2018?

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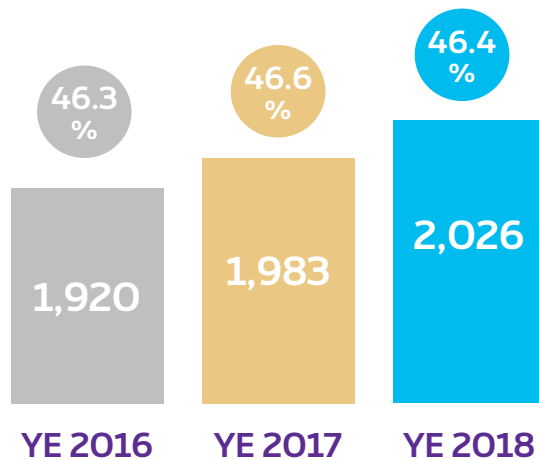
Dominique Leroy – CEO

# We kept a strong position in a competitive market



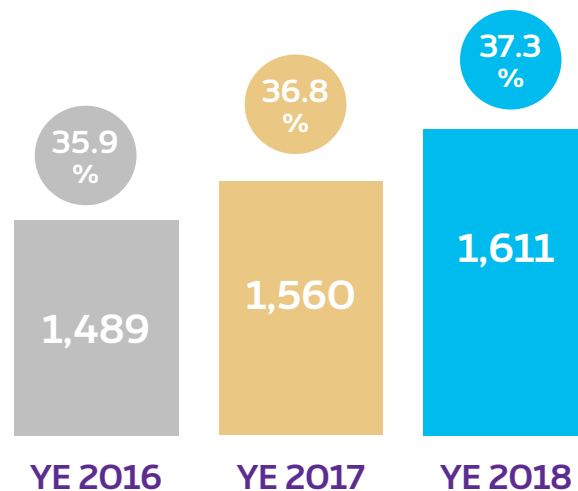
## Fixed Internet

+ 43,000 net adds in 2018



## Digital TV

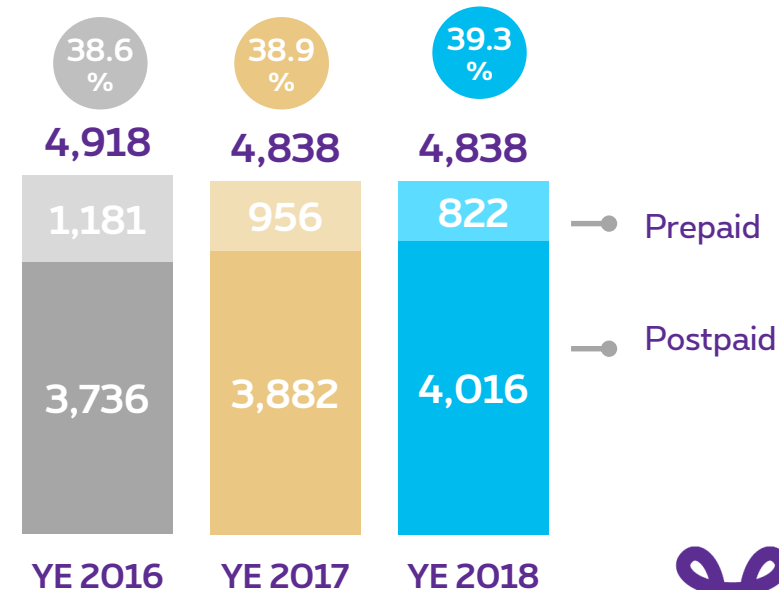
+ 50,000 net adds in 2018



## Mobile

+ 134,000 Postpaid


- 134,000 Prepaid





(in '000 & market share %)



# Market segmentation



**Tuttimus**  
The all-in of your choice

proximus



scarlet

Launch  
**Bizz Online** for  
SE customers




proximus  
business

Make  
it **epic**

Mobile offer  
millennials



# Increasingly convergent customer base in premium family segment

## Tuttimus

The all-in of your choice



Tuttimus/Bizz All-in subscribers in '000

124

359

508

Jan'17

Q4'17

Q4'18

customer  
value  
+  
lifecycle



## Driving growing 4P customer base

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

2,979

2,956

4P

683

+7.0%

731

+48k

3P

746

733

2P

411

387

1P

1,139

1,105

Q4'17

Q4'18



# Leader in the no-frills segment



Very simple offer

Digital focussed operator

Low acquisition cost

Low servicing cost

Low Fixed cost structure

# Make

it

# epic

## 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

## 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

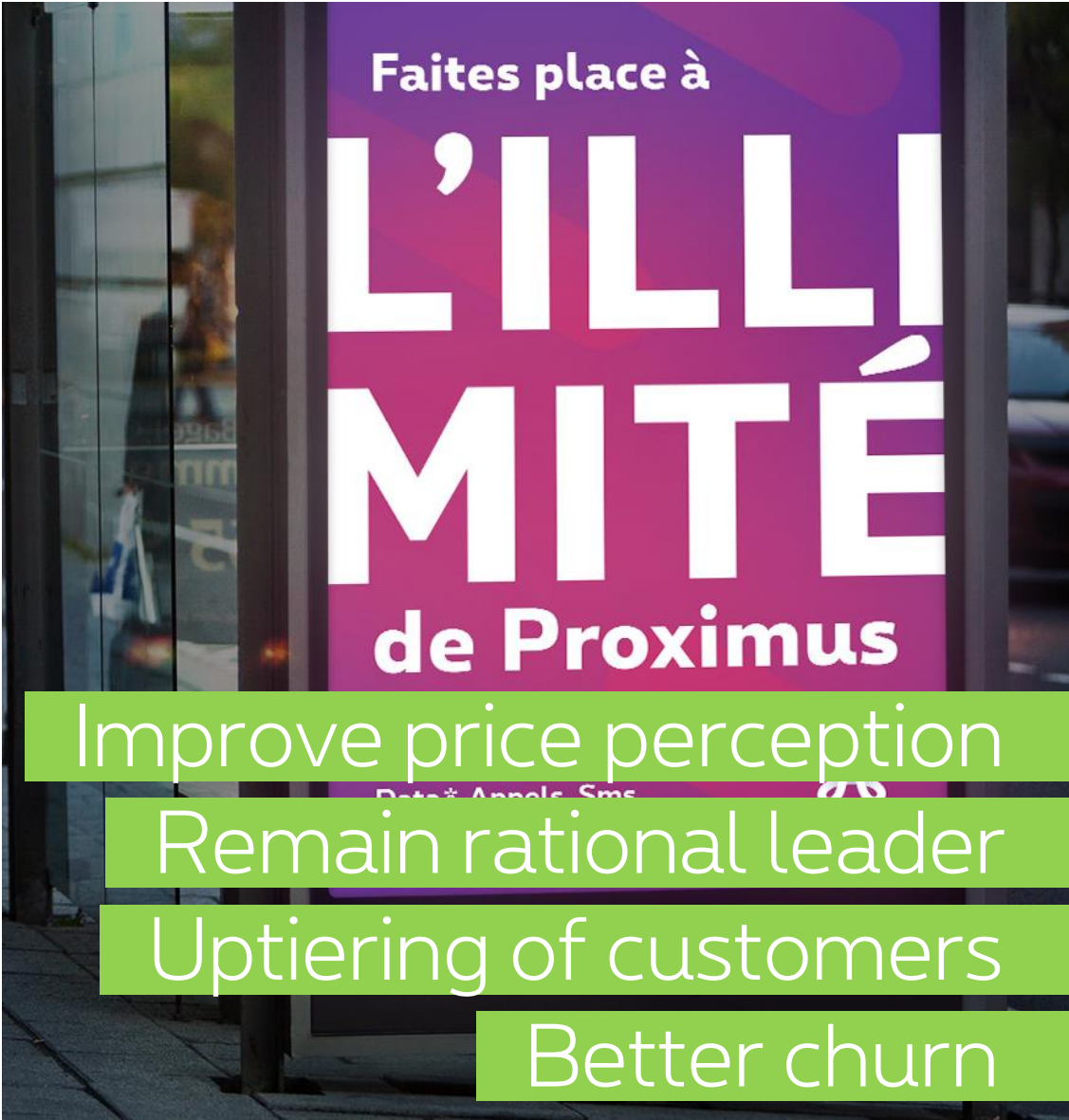
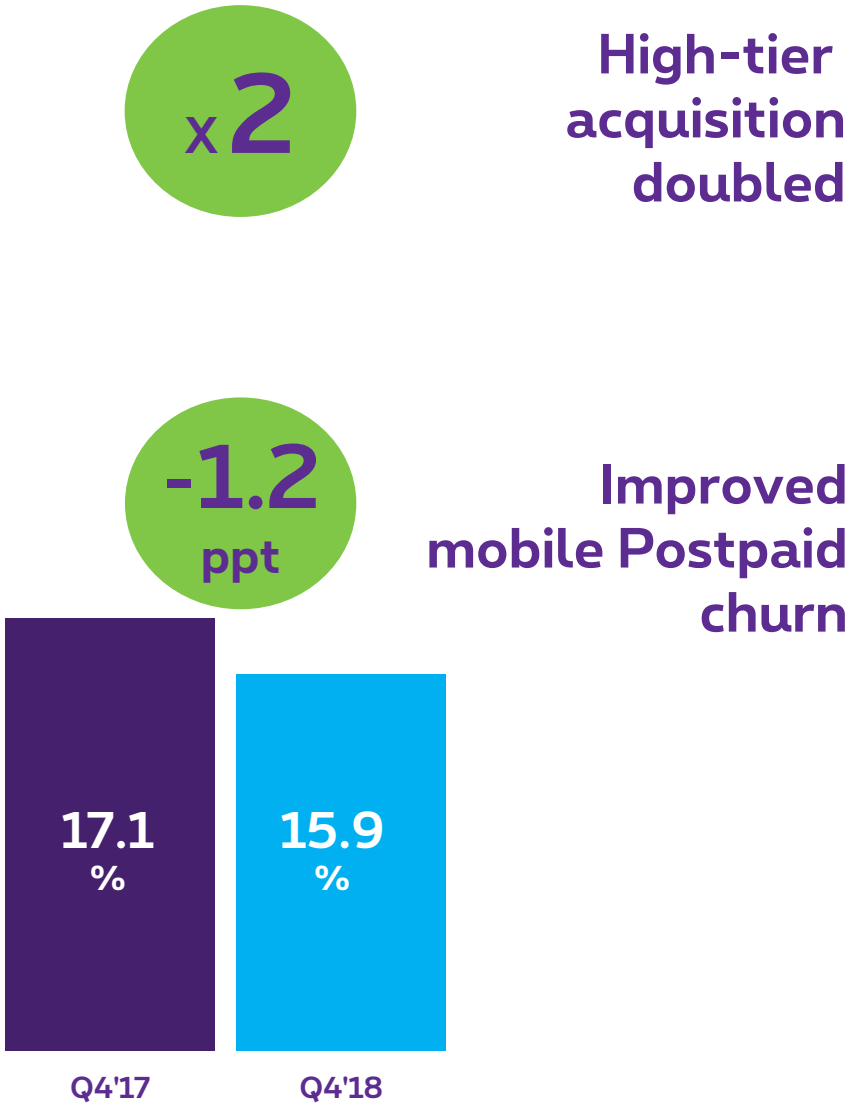
Full-digital journey

Worry-free connection, anytime, anywhere

Pioneering in the Millennials & Gen Z segment

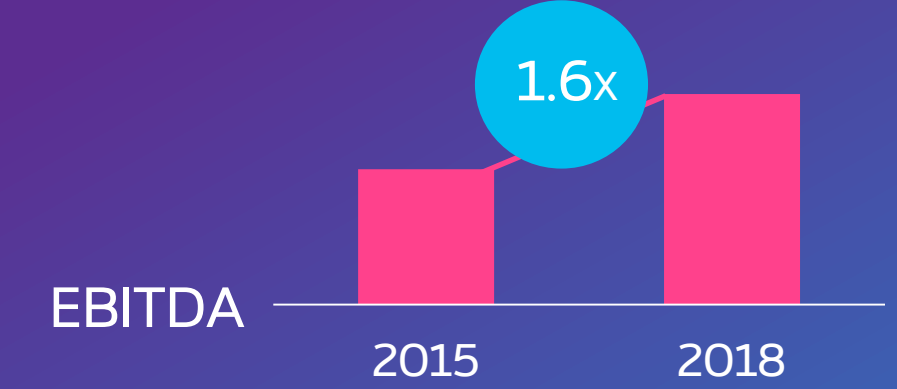
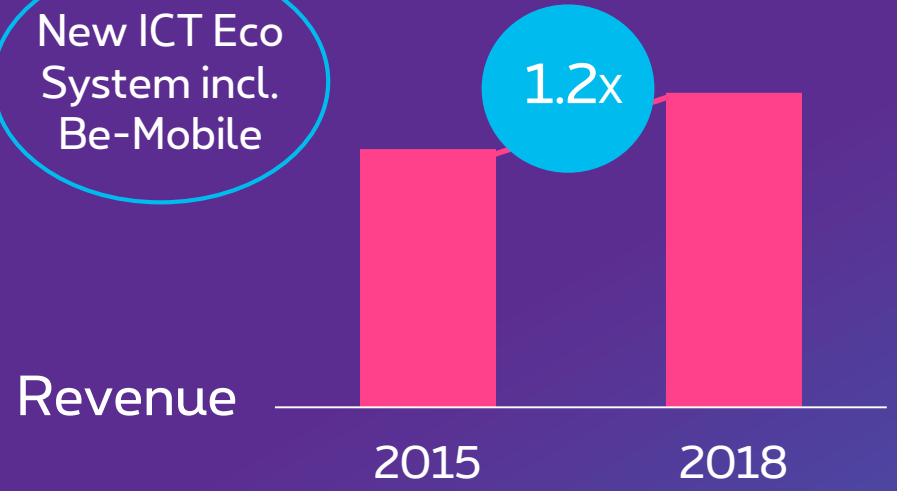


# New mobile pricing



# Over the past years we diversified our portfolio to stay relevant for our Enterprise customers & protect our Telco business

New ICT Eco System incl. Be-Mobile

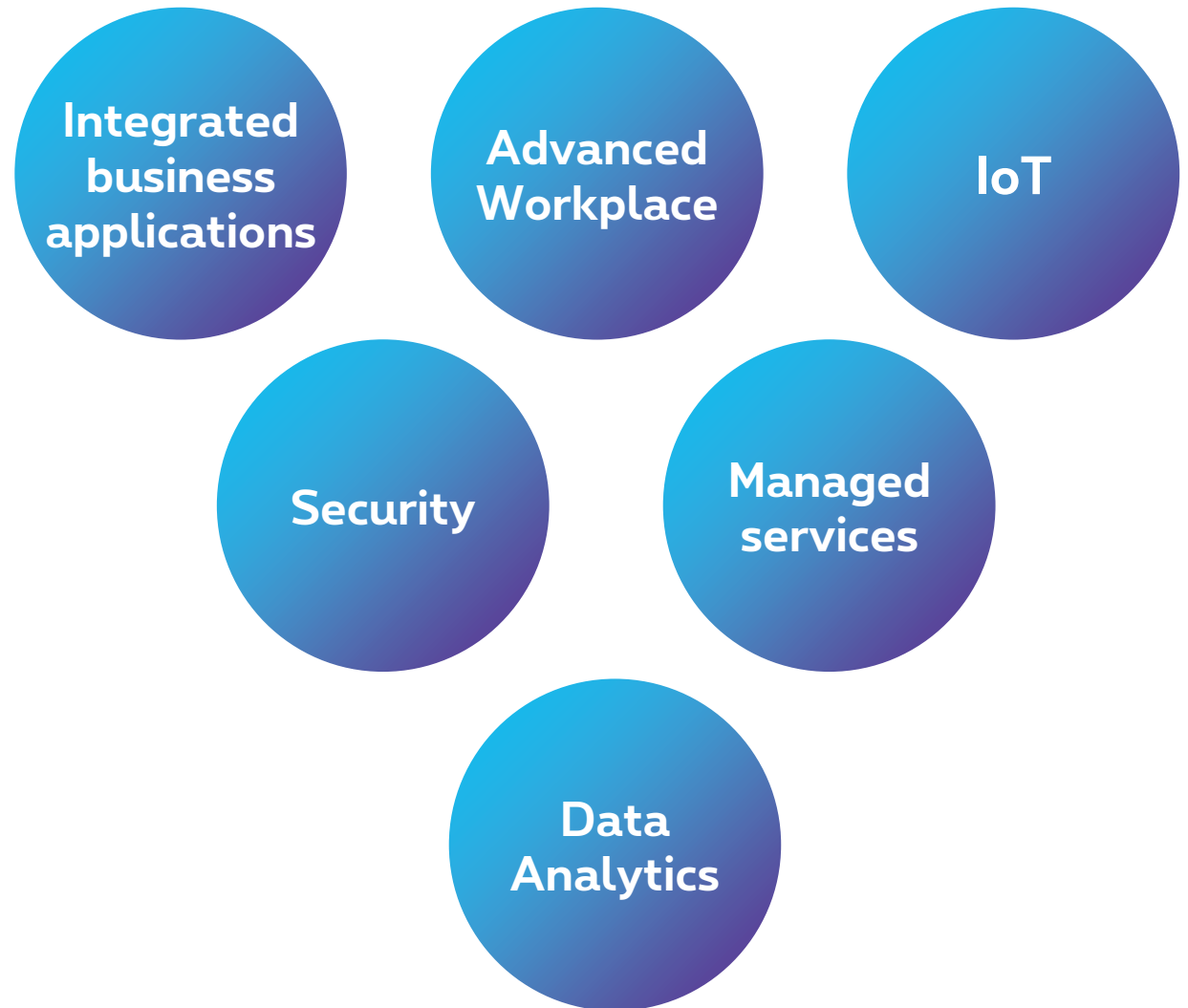


+2.5 ppt EBITDA margin



# Be the trusted partner in the digital transformation of enterprises

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# We continue to invest extensively in our network & service platforms

Fiber for Belgium

High quality mobile network

Seamless video & media experience

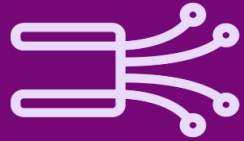
Transport network upgrade

Virtualization and softwarization

Renewed IT systems

Enriched content

Copper upgrades

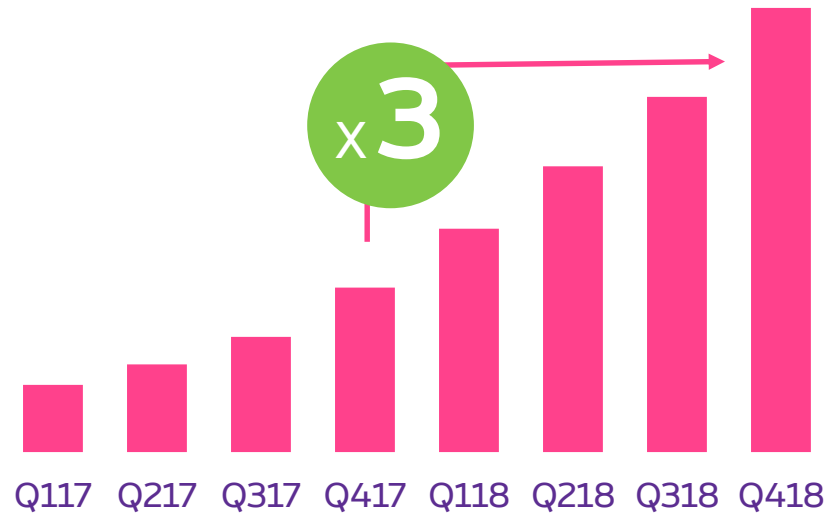


**9** cities  
With Fiber  
roll-out  
launched

**+7**  
new cities  
in 2019

## Good acceleration to keep us on track with LT ambition

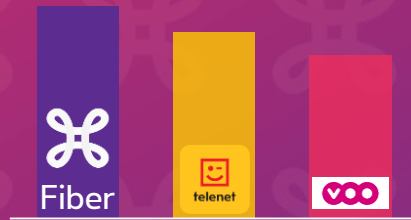
# FttH homes passed



In the mass market we will double our fiber footprint in 2019

# Good dynamics in growing FttH coverage

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

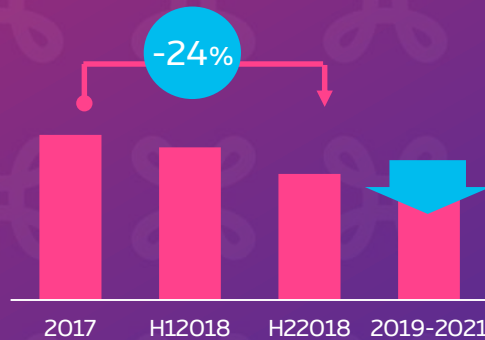


Higher **ARPU** on FttH customers

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

**✓ Market share**

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



**1st** copper outphasing tested in 2018

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

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

(figures based on footprint end 2018)

# Fiberize vast majority of professional customers, while adopting a more cost-efficient deployment approach

## Focus on mono-sites



- ✓ Less complex
- ✓ Improve market share in SE-ME market



ARPU uplift  
for mono-site  
customers

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



## Complex COR multi-sites



- ✓ New approach: more on-demand fiber deployment, leading to reduced pre-investment

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



Growing share of  
national Fixed  
Data revenue  
based on Fiber  
connectivity



# Delivering an excellent mobile experience while coping with boosting traffic

## Coverage

99.5%<sup>1</sup>  
4G indoor coverage

92.4%<sup>1</sup>  
deep indoor

## Voice

Ultra HD  
Voice

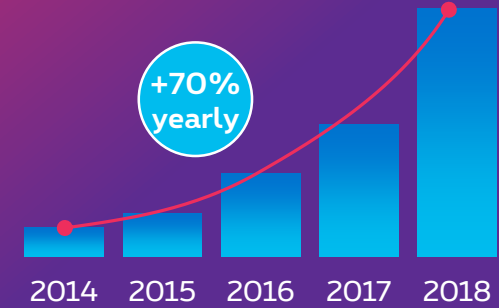
Fastest  
call set-up<sup>1</sup>

## Video

Best video  
experience<sup>2</sup>

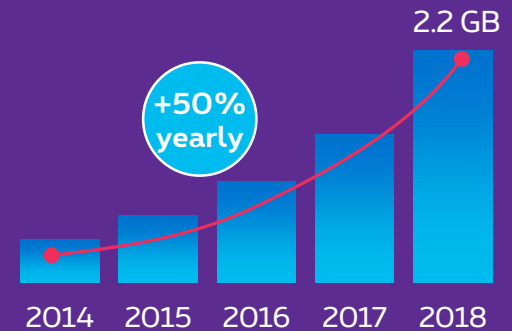
1. CommSquare study, an independent company which compares the network performance of Proximus with other Belgian competitors (measurement campaign from 7/11 to 28/11/18)
2. OpenSignal analysis

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



Proximus internal calculation based on network data

## Average per user Mobile data consumption (GB/month)



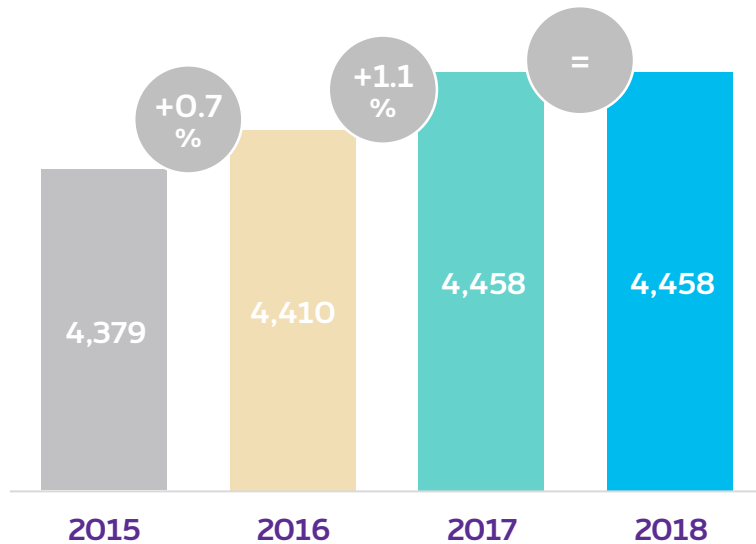
# Financials FY 2018

Sandrine Dufour - CFO

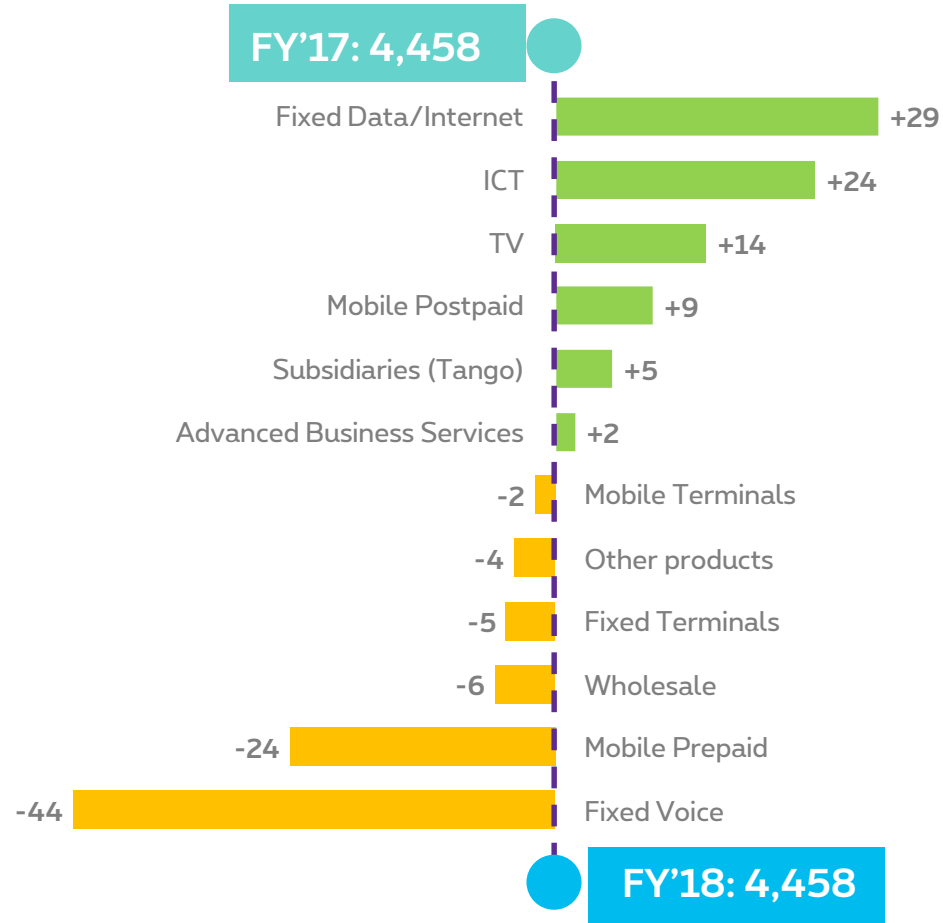
# Stable 2018 Domestic Revenue

(underlying, M€)

## Domestic Revenue



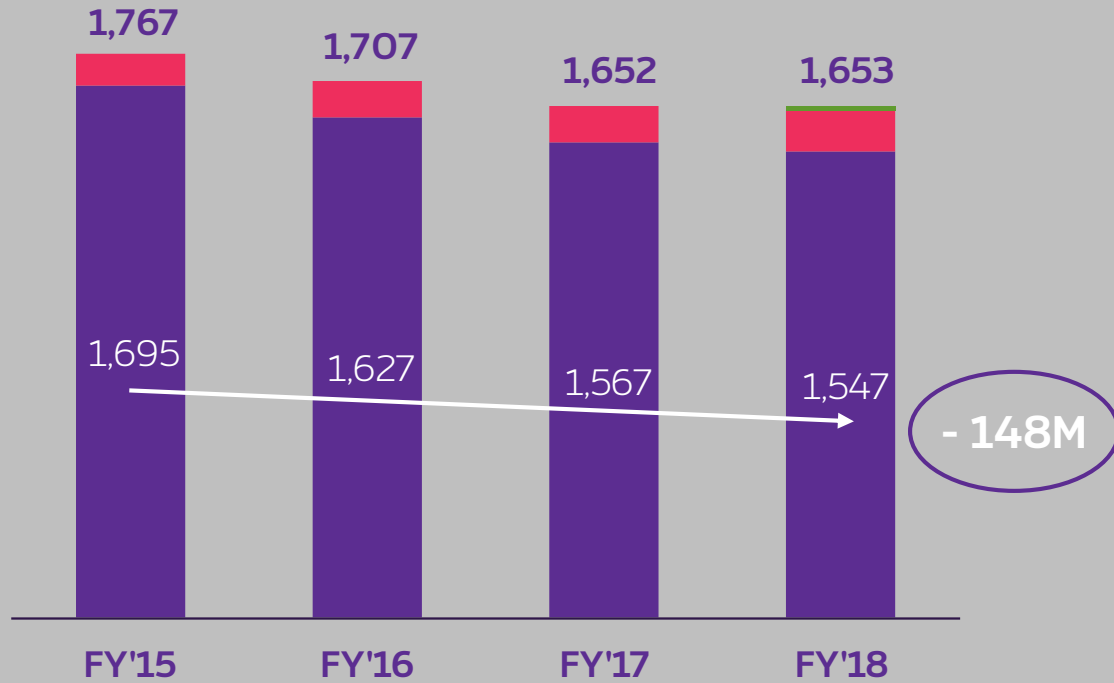
Lower Mobile Terminals sales and inbound revenue impacting trend, though having minor margin effect.



YoY evolution per product group

# Domestic OPEX

(underlying in M€)



■ OPEX excl. ICT Direct OPEX ■ ICT Direct Opex ■ 2018 ICT acq. OPEX

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

ICT growth driving expenses up through  
'billable' direct OPEX...

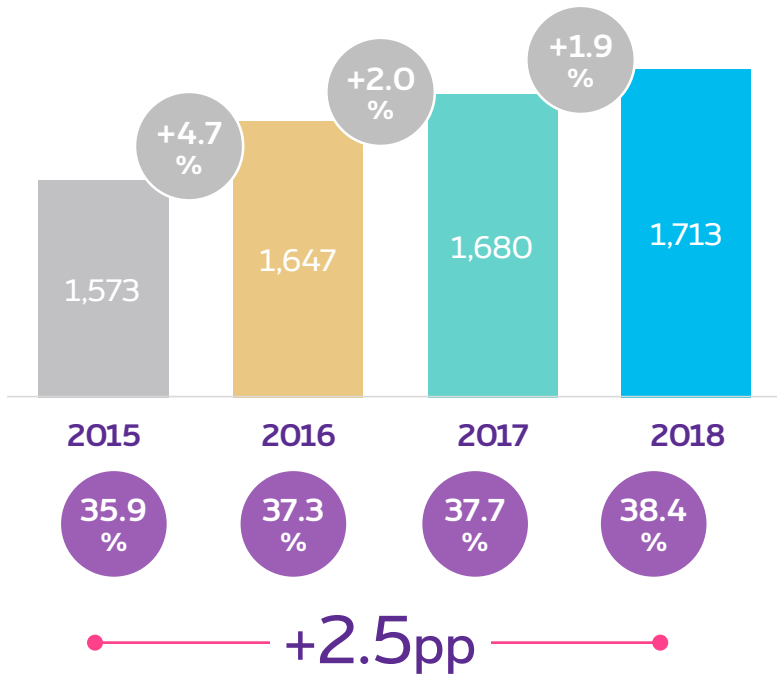
...reinforced by acquired ICT companies

€ -115M total net OPEX reduction since  
2015

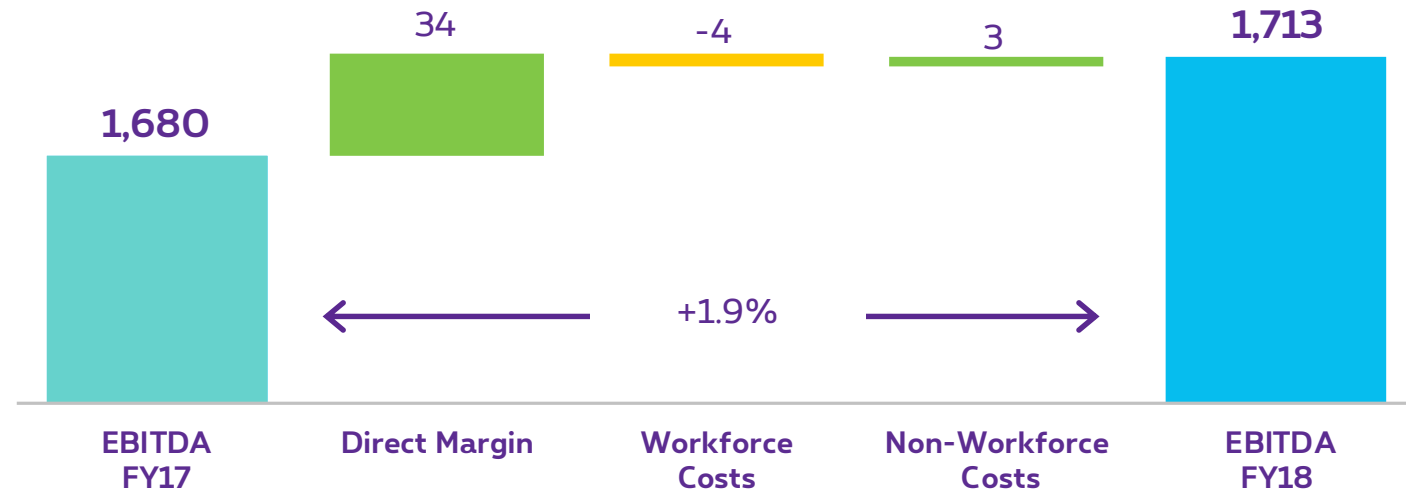
# Domestic EBITDA

(underlying, M€)

### Domestic EBITDA & EBITDA margin (%)



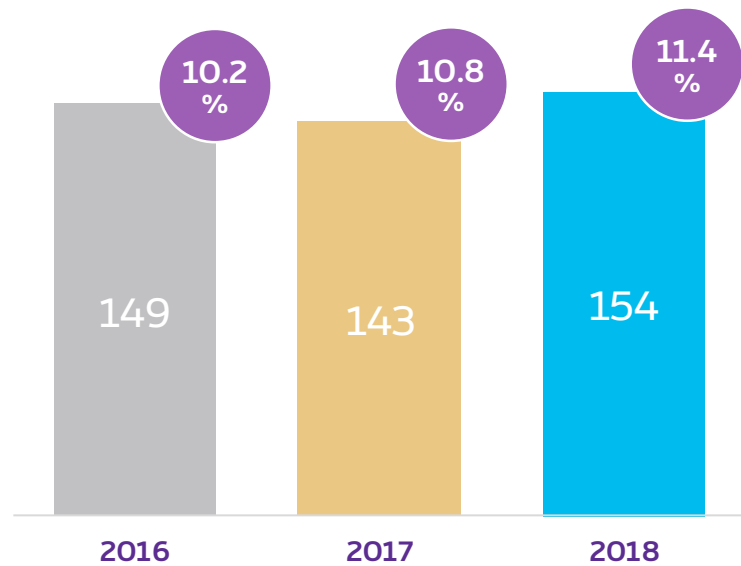
### Domestic EBITDA YoY



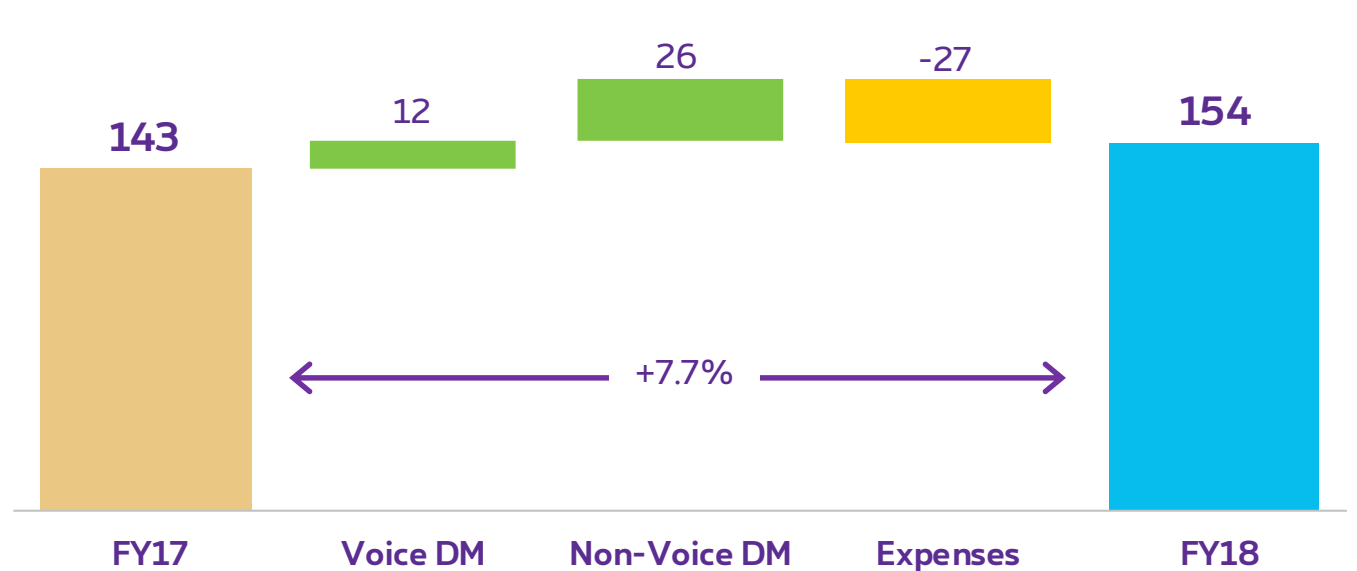
# BICS segment result

(underlying, M€)

### BICS segment result & contribution margin (%)



### BICS segment result YoY



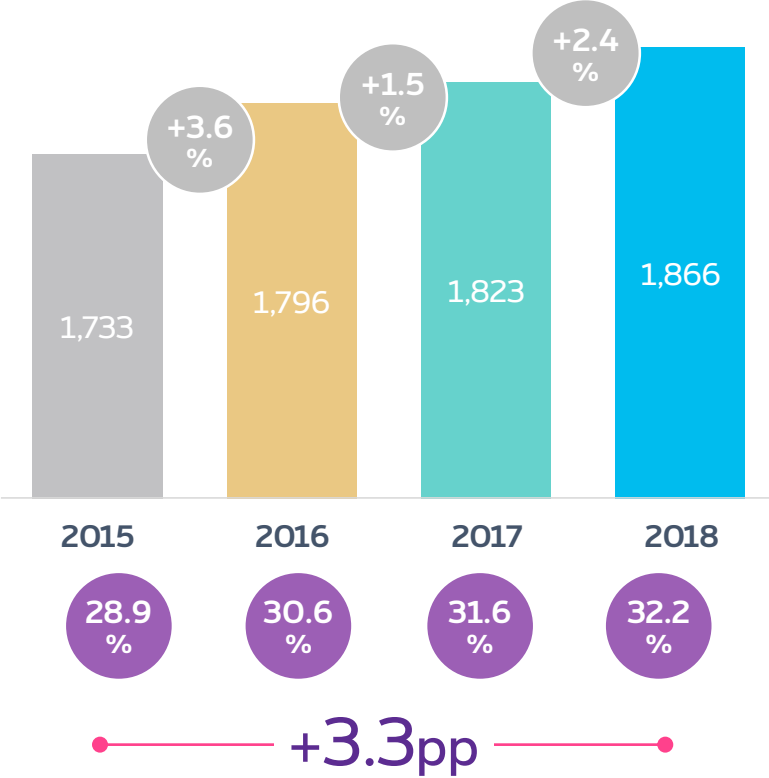
Successful TeleSign integration

- ✓ A2P volumes X3 vs 2016
- ✓ CoGS synergies

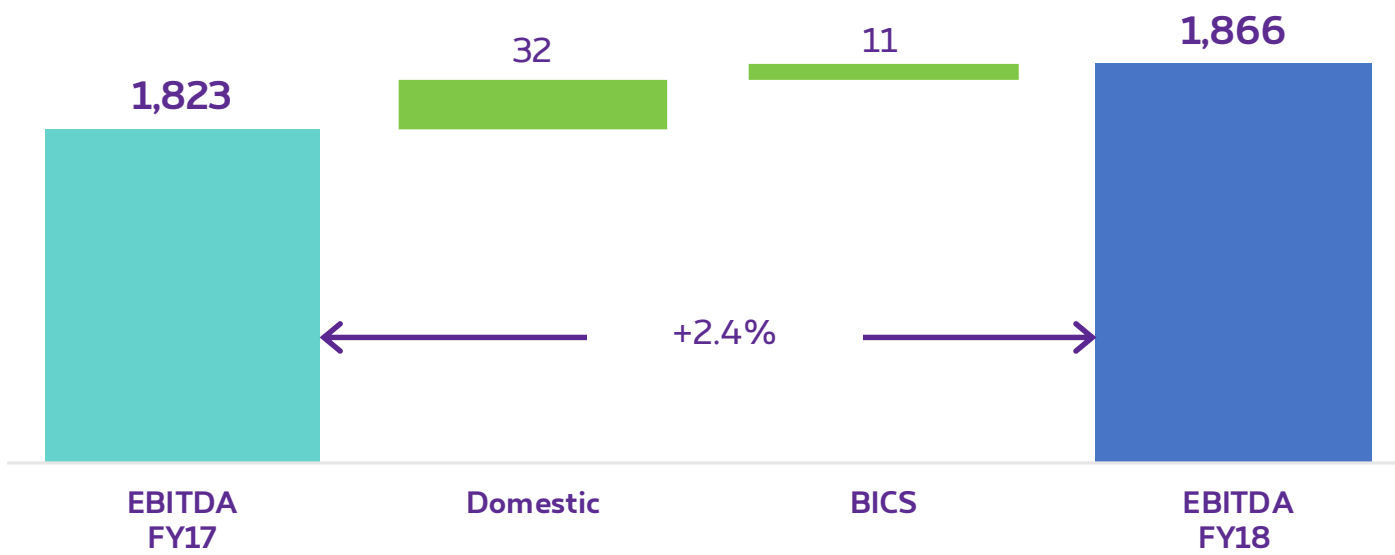
# Group EBITDA

(underlying, M€)

### Group EBITDA & EBITDA margin (%)



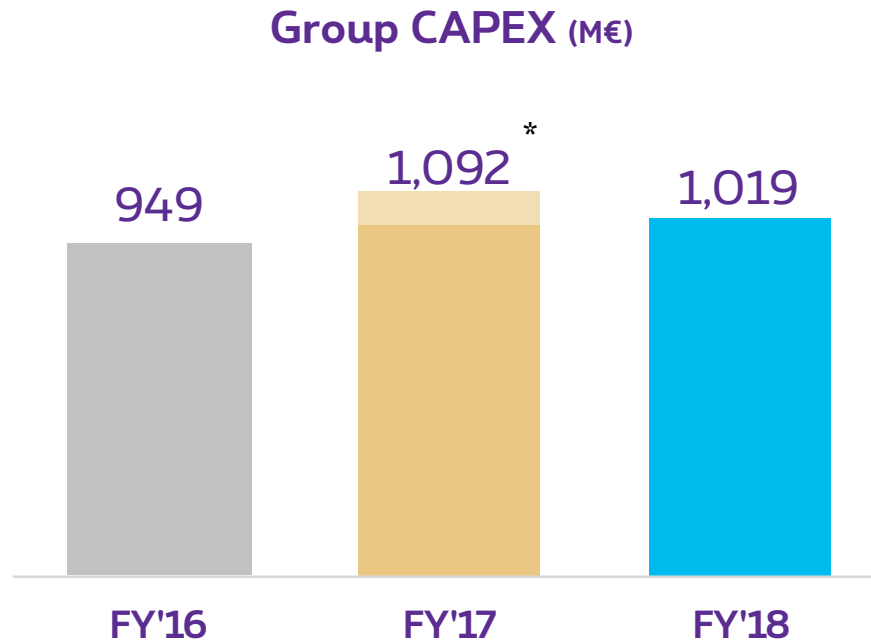
### Group EBITDA YoY



# Continuously investing to enhance Proximus' networks and the overall customer experience

2018  
Capex envelope  
covered a.o.

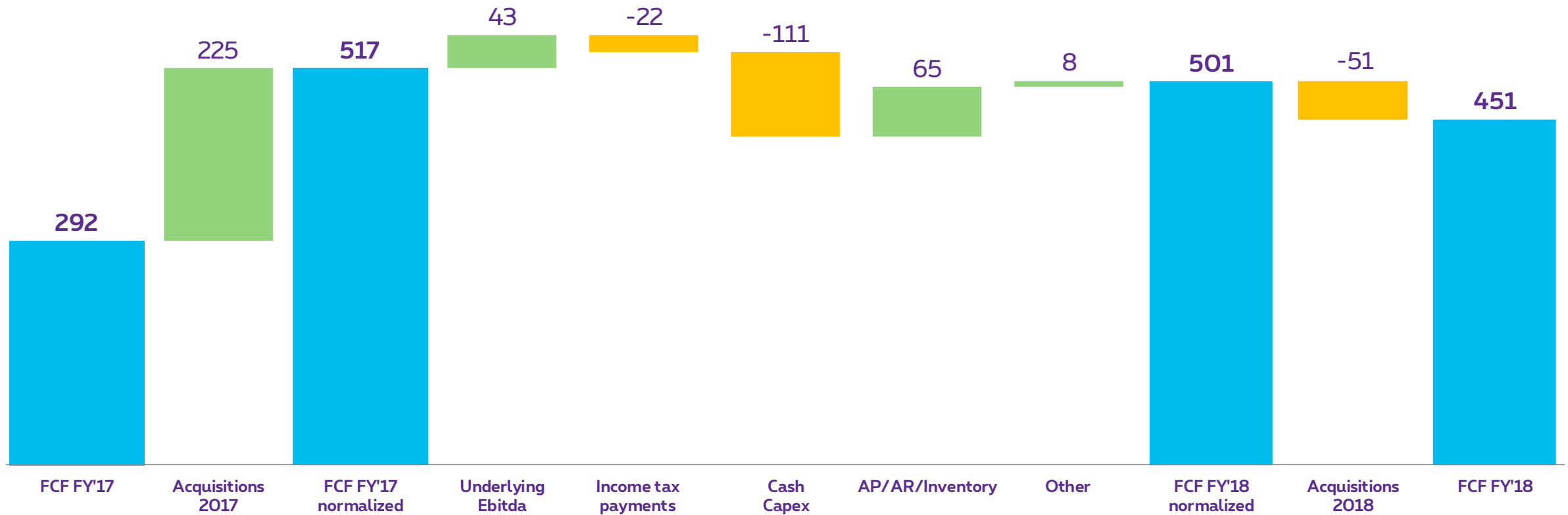
- ⇒ Fiber rollout
- ⇒ Mobile capacity
- ⇒ Content renewal
- ⇒ Subsidiaries
- ⇒ IT
- ⇒ Network transformation
- ⇒ Roadworks



\*2017 includes Jupiler League and Champions League (Q4) football broadcasting rights.



€451M FY'18, or € 501M excluding acquired ICT subsidiaries



Normalized 2017 excludes acquisition of TeleSign (including cost of transaction-related hedging instrument), Unbrace and Davinsi Labs  
 Normalized 2018 excludes acquisition of Codit, Umbrio, ION-IP and Mediamobile (acquired by Be-Mobile)

# We delivered upon our 2018 full-year guidance

	Guidance FY 2018	Actuals FY 2018
Domestic underlying revenue	Nearly stable	+0.0%
Group underlying EBITDA	Growth between 2% - 3%	+2.4%
CAPEX	Around € 1Bn	€ 1,019 Mio

€1.50

Gross dividend per  
share over result  
2018

# Strategy 2019-2021

Dominique Leroy -CEO

By 2021 we made a real shift to a truly customer-centric digital company.

For our  
residential  
customers

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We want to be on the  
1<sup>st</sup> screen of every  
smartphone in  
Belgium

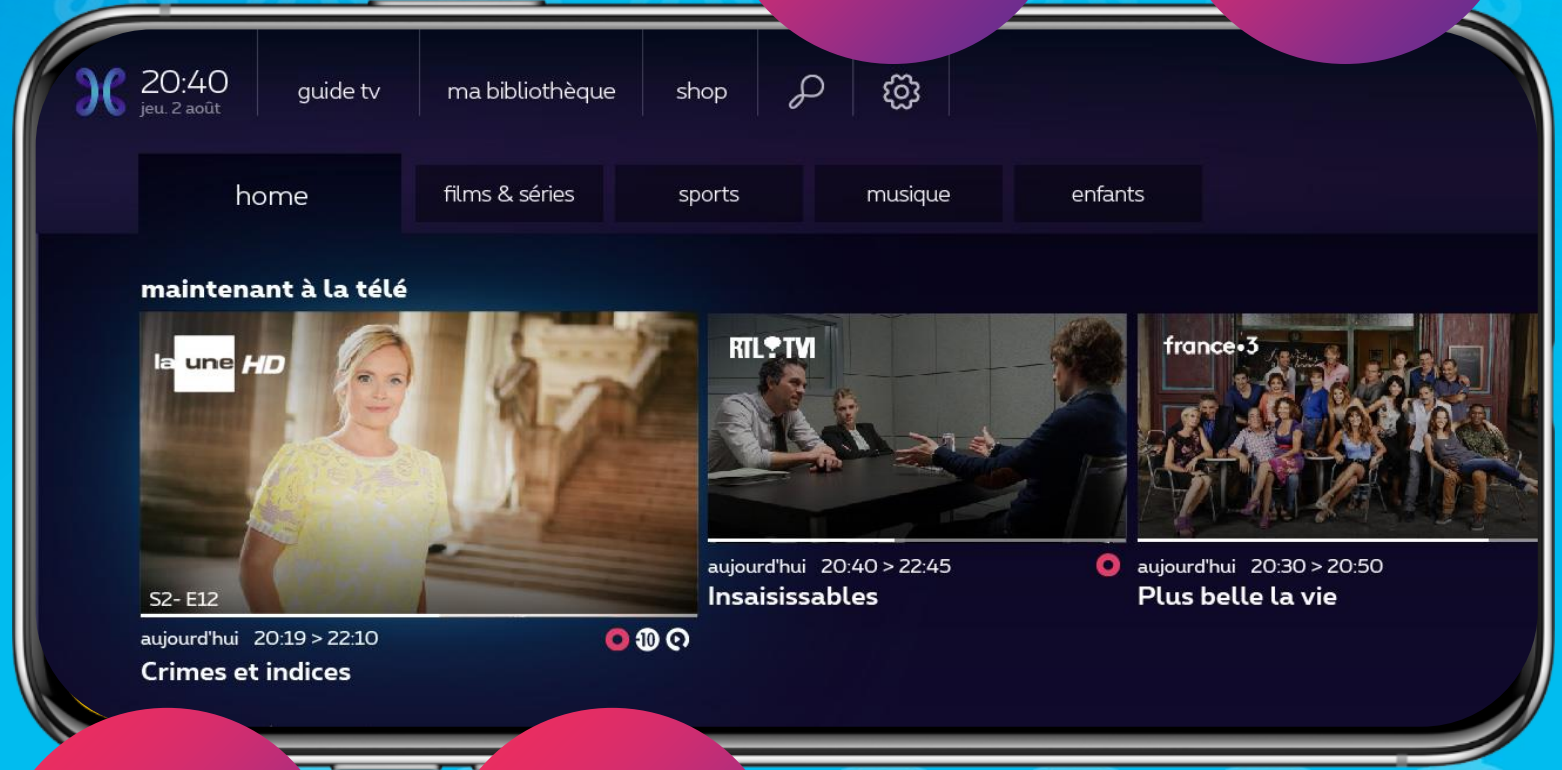


# For our residential customers

As the gateway to people's digital content and passions

Personalized & contextualized experience

Multiscreen approach



Targeted advertising

Integrated content platform

On the 2nd of April, we will launch our new Epic offer

# epic combo

Mobile subscription with voice  
and endless data for video,  
music and social apps

+ Internet at home

+ TV everywhere  
via Proximus TV App



A pack for the  
specific needs  
of millennials

Mobile, fixed  
internet and TV  
via Proximus  
TV App


Co-creation  
with  
millennials

# For our small enterprises

**Bizz Online**  
Création de site et visibilité en ligne

A partir de **€ 15** /mois

Je choisiss mon Bizz Online >



Romane, kiné sportive

"Mon boulot? Aider les sportifs blessés à se reconstruire. Pas m'occuper de site web."

Dorothee  
Bar à vins  
minniefrenchie.be



Mon boulot?  
Faire découvrir le vin nature. Pas gérer mon site internet.



Mein Kwaliteitspunt  
m-kra.be



Mijn ding?  
Zorgen dat mijn patiënten weer beter bewegen. Niet met websites bezig zijn.



Ons ding?  
Samen met jou je website bouwen. Proximus-klant of niet.  
Doe vooral je eigen ding!

Bizz Online voor € 15 /maand

proximus.be/bizzonline



Business continuity

Premium servicing

Online presence



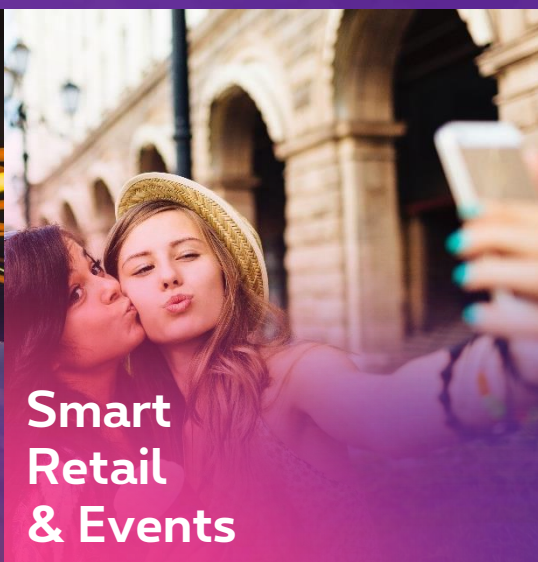
# For our enterprises customers

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## Smart solutions and seamless digital experience



Smart Industry



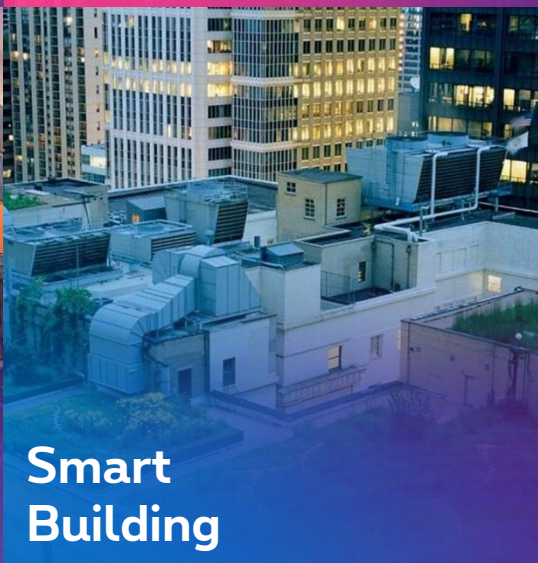
Smart Retail & Events



Smart Energy



Smart Logistics & Transport



Smart Building

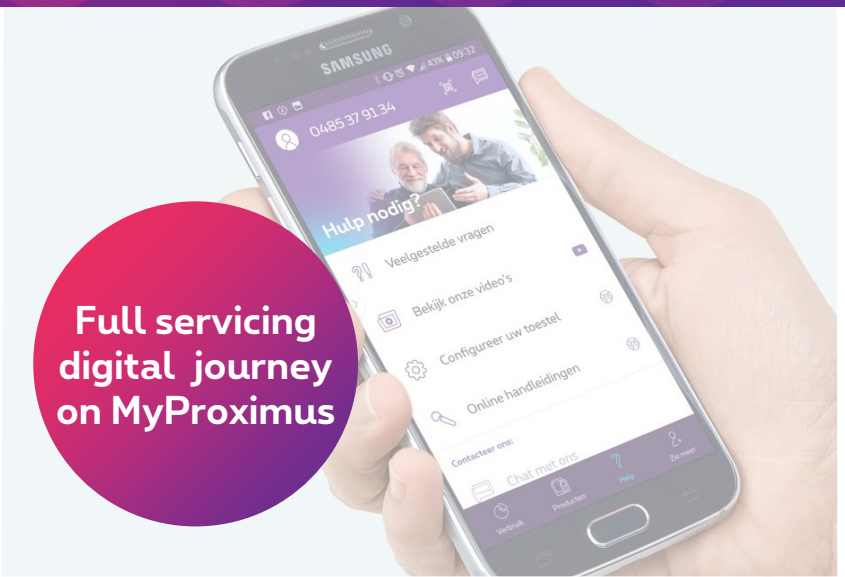


Smart City

# Becoming digital first in all we do



Call center agents become digital coaches



Full servicing digital journey on MyProximus



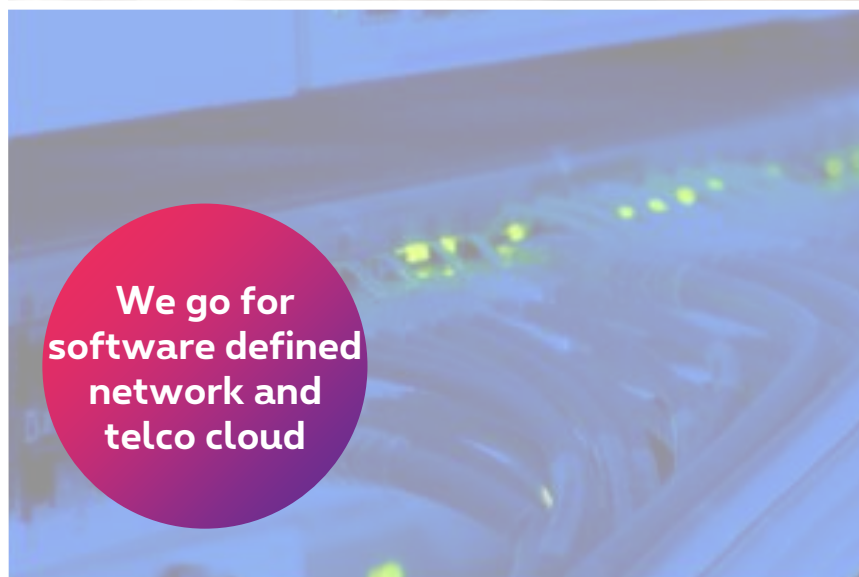
We evolve to experience stores



Seamless and digital experience for enterprises



Hire and reskill workforce towards digital savvy employees



We go for software defined network and telco cloud

# Accelerating the company transformation with gross cost reduction ambition of € 240M\* over 2019/2020/2021...

**Enablers to reduce our workload & workforce**  
(some examples)

**Network**  
simplification  
virtualisation

- Copper phase-out
- Reduce buildings

**IT**  
simplification

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

**Supply**  
efficiencies

- Reduce cost / increase efficiencies

**Call**  
deflation

- My Proximus App
- Digital assistant

**External**  
call centers

- Shift to more efficient work-models

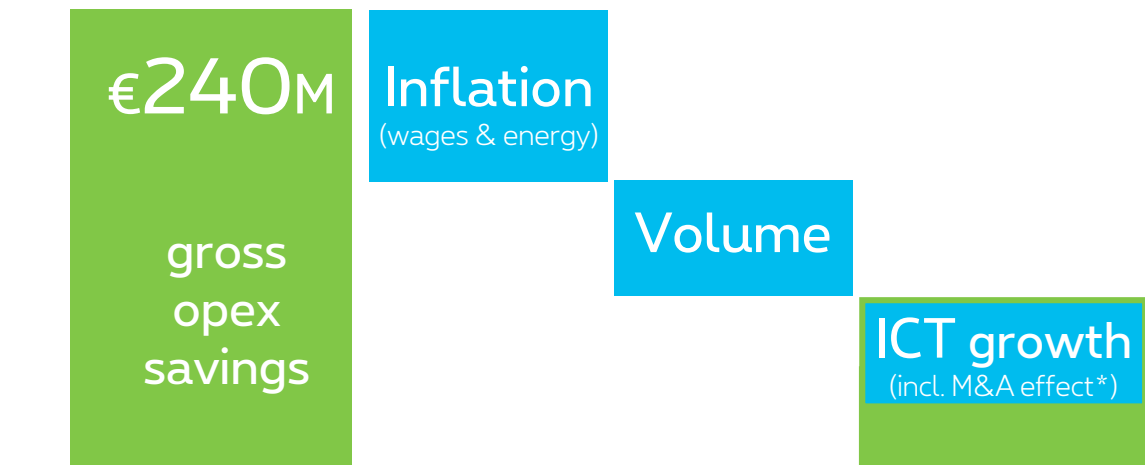
**Automation & Digitisation**

- Optimized omni-channel sales
- e-Servicing

\*Level of cost saving pending union negotiations

...to invest in a sustainable future and covering for underlying cost inflation.

### Expected opex evolution by end-2021 (indicative graph)



\* With full impact  
2018 acquisitions as  
of 2019

# Guidance 2019

Guidance metrics	Actuals FY 2018	Guidance FY 2019
Domestic underlying revenue	€4,460m	Nearly stable
Group underlying EBITDA	€1,865m	Stable
CAPEX	€1,019m	Stable

Stable gross dividend per share of  
**€1.50**  
 expected over result 2019

In line with the announced 3-year commitment on 16 December 2016.

## 2019 expectations


- Nearly stable Domestic revenue in competitive market
- Sustained positive EBITDA performance of Domestic operations
- Unfavorable EBITDA effect on BICS following renewal MTN commercial agreement\*
- Regulatory measures to reduce the Domestic margin by € 20 m
- Capex to be stable to the 2018 level

\*Subject to MTN Board ratification

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

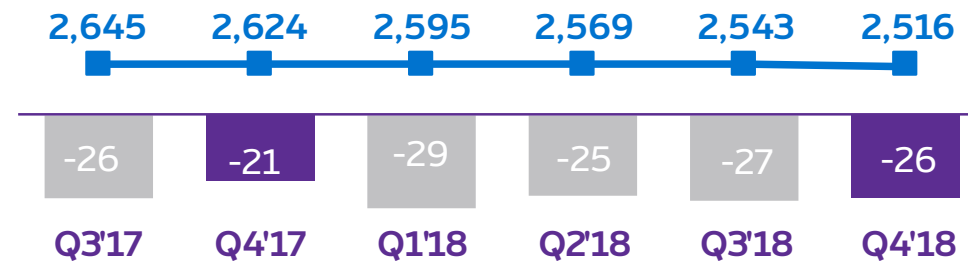
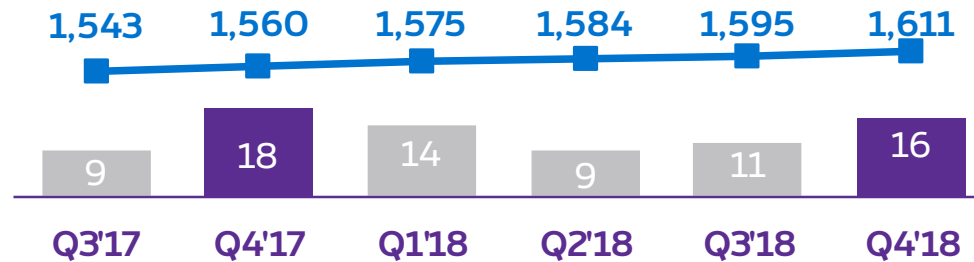
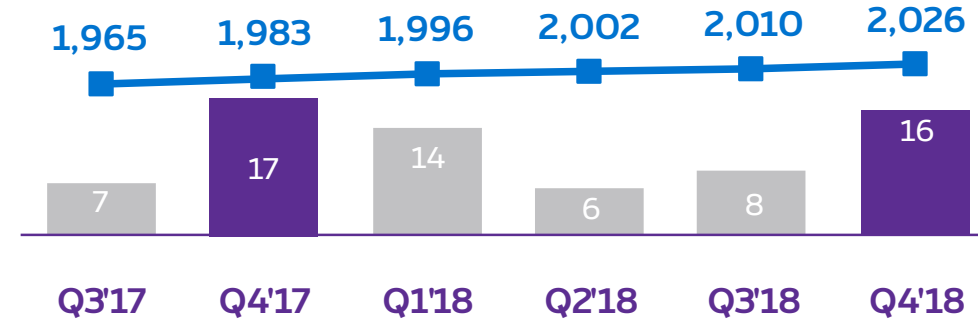
Q4 2018

# Key achievements Q4

<p><b>+32,000</b></p> <p>Mobile postpaid cards</p>	<p><b>+31,000</b></p> <p>Tuttimus &amp; Bizz all-in</p>	<p>Stable YoY Domestic Direct Margin</p>	<p><b>+0.2%</b> YoY Domestic EBITDA</p>
<p><b>+16,000</b></p> <p>Fixed internet customers</p>	<p><b>+16,000</b></p> <p>TV customers</p>	<p> bics</p> <p>DM + 3.9% YoY EBITDA + 8.4% YoY</p>	<p><b>€ 451m</b></p> <p>FCF YTD'18 (€501m excl. acquisitions)</p>

# Growing Internet/TV customer base

Supported by dual brand strategy and year-end campaign



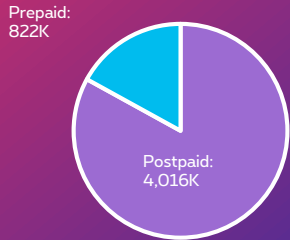
— Net adds — Park

**+43K**  
lines YoY  
+2.2%

**+50K**  
customers YoY  
+3.2%

**-108K**  
lines YoY  
-4.1%

# Mobile cards:  
4,838K end-Dec'18



# Mobile postpaid customer gain

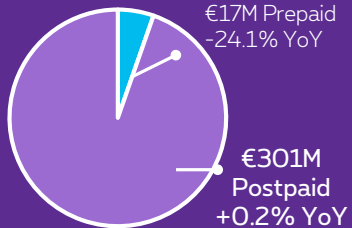
+32,000 Postpaid cards in competitive mobile market

## Smartphone penetration



77%  
+4pp YoY

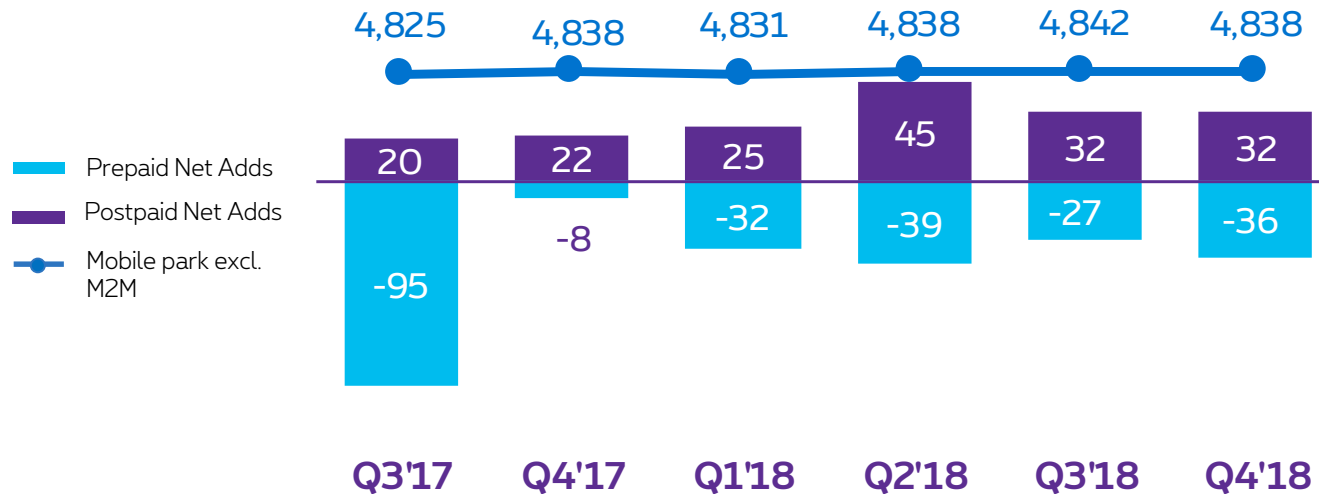
Mobile service revenue:  
€ 318M in Q4'18



## National Mobile Data Usage (average/user/month)

2.2GB  
+56% YoY

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

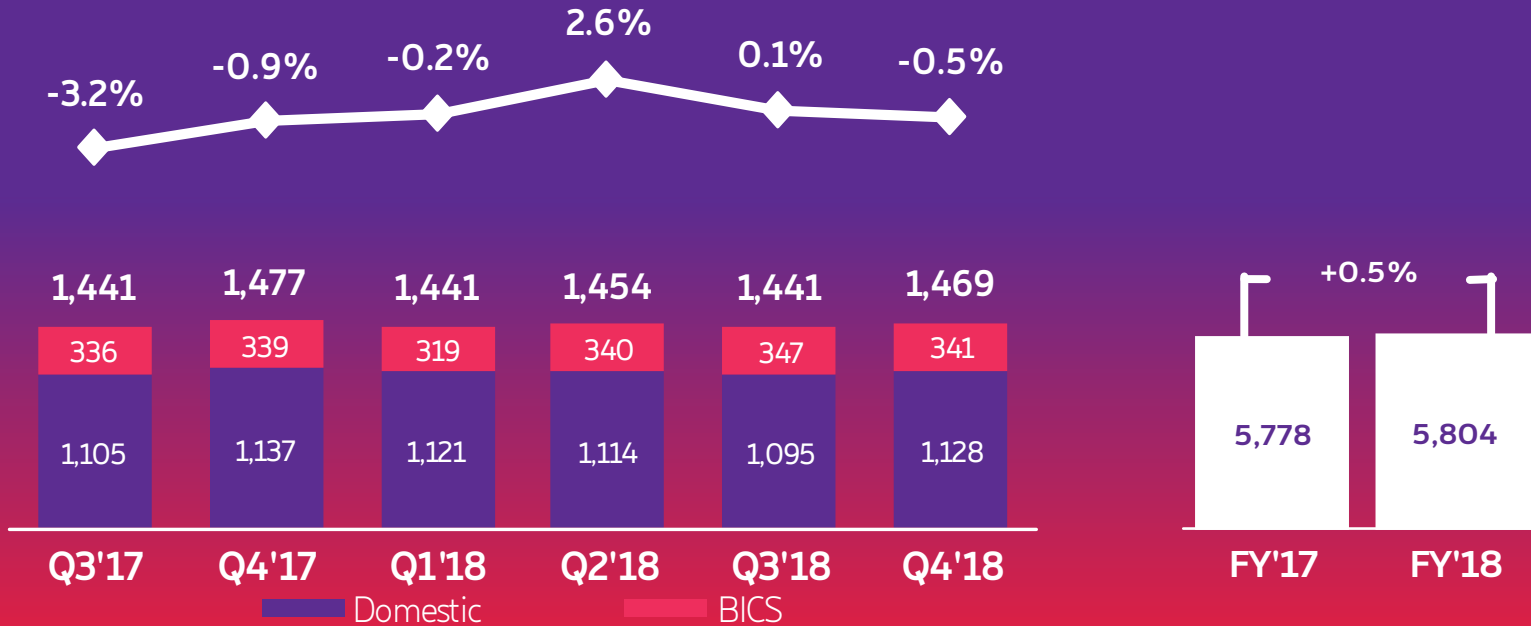


Postpaid  
**+134K** YoY  
i.e. **+3.5%**

Prepaid  
**-134K** YoY  
i.e. **-14.0%**

# Q4'18 Group Revenue

(M€ & YoY %)



## Consumer: -1.0% YoY

- + Value accretive customer mix, 4P growing
- + Revenue growth for TV& Internet
- Fixed Voice revenue erosion
- Loss in Mobile Prepaid revenue
- Mobile devices sales (low margin)



## Domestic: -0.8% YoY to € 1,128m

### Enterprise: -0.8% YoY on high comparable base

- + Growth in ICT (acquired companies)
- + Mobile Services
- Erosion Fixed Voice
- Lower mobile devices sales (low margin)



## Wholesale: -0.3% YoY

- Roaming rates downwards negotiated (benefitting the Proximus Group margin)
- lower revenue from traditional wholesale services



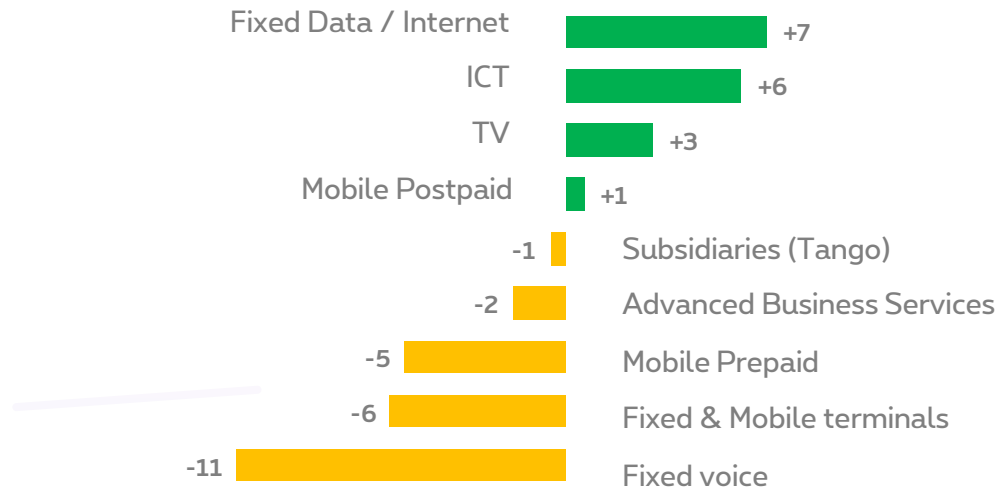
## Q4'18 revenue: +0.5% YoY

- + Growing A2P\* volumes, leading to non-Voice revenue growth of 18.6% (TeleSign)
- Voice revenue -6.1% YoY

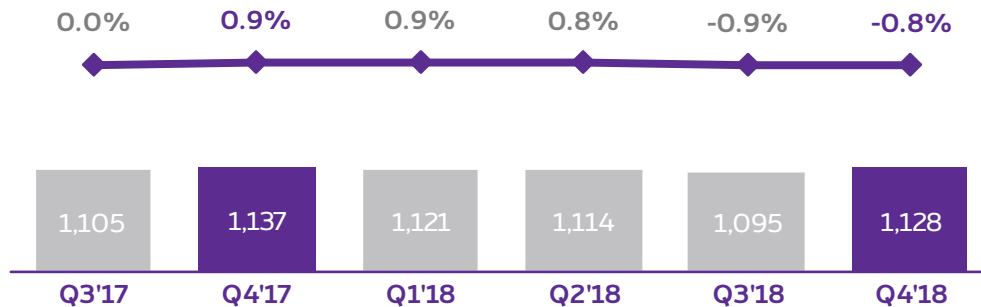
\*Application to Person

# Domestic revenue by product

**Q4**  
(YoY evolution)



**Q's**  
(M€)

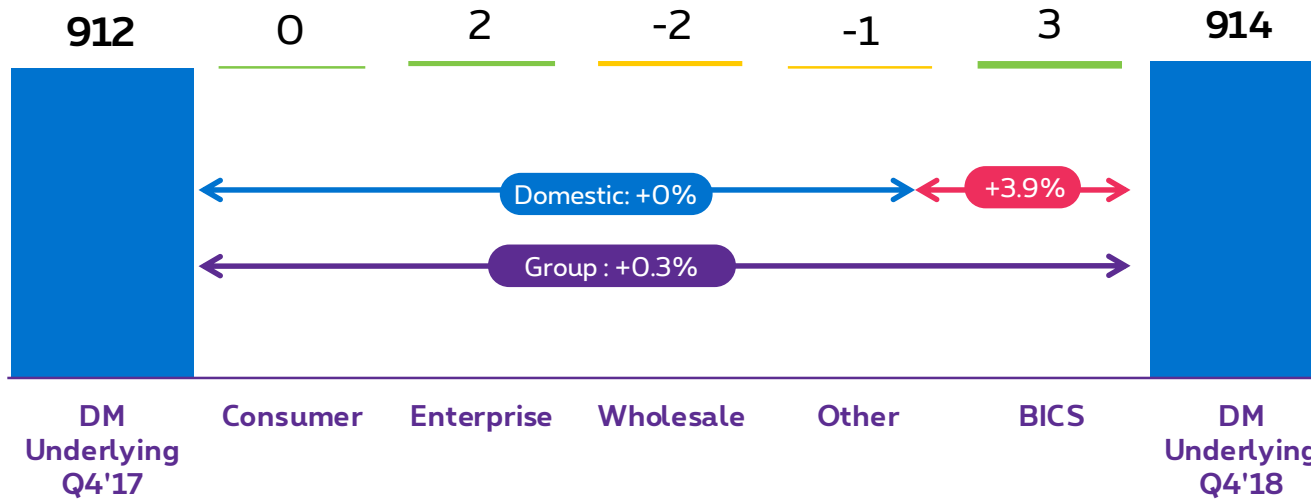


- Customer growth driving Internet, TV and Postpaid revenue increase
- ICT benefitting from acquired companies
- Lower Mobile terminals sales (low margin)

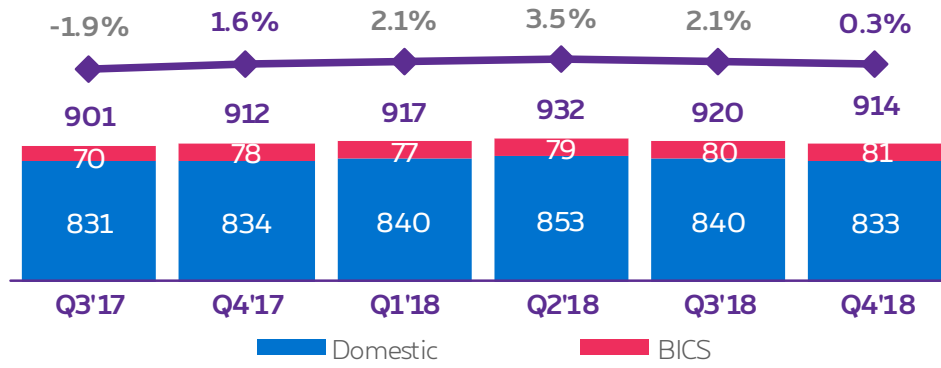
# Group direct margin +0.3%

Stable Domestic margin, BICS up 3.9%

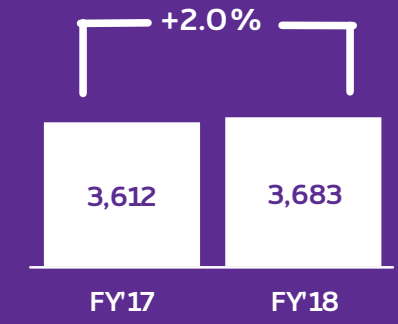
Q4  
(M€)



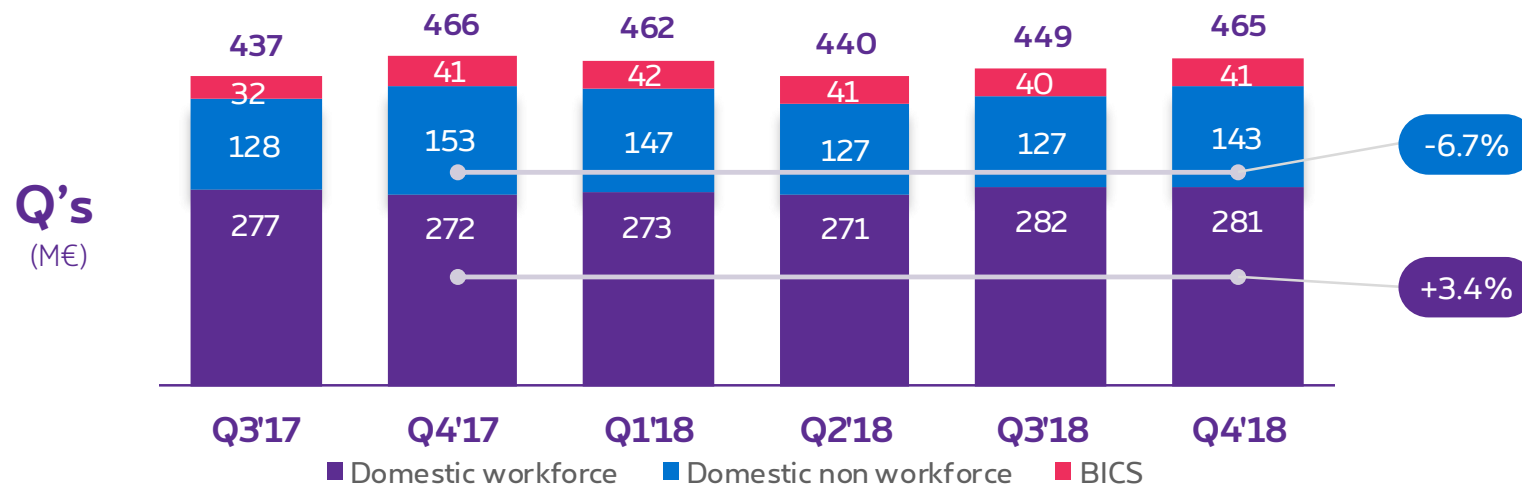
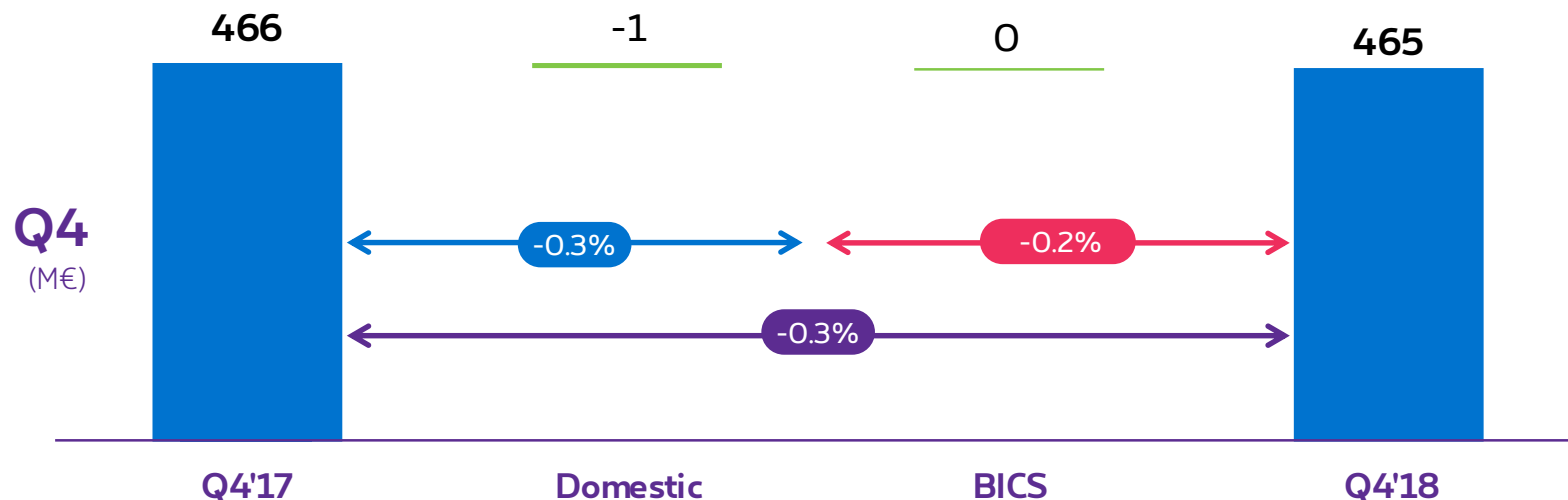
Q's  
(M€)



- Domestic stable
  - + Consumer +0.1%
  - + Enterprise +0.8%
  - Wholesale -4.8%
- BICS direct margin up 3.9% through combination with TeleSign
  - + Growing A2P volumes
  - + Direct cost synergies

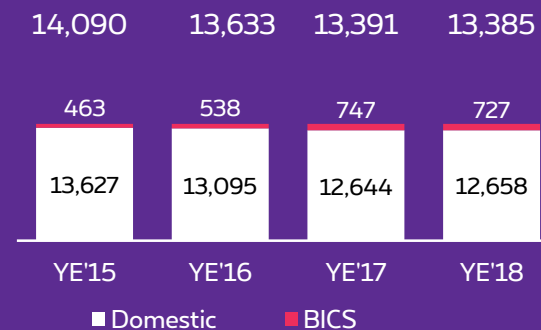


# Group expenses



- Domestic expenses -0.3%
  - Inflation based indexation in Oct'18
  - Business critical and ICT acquisition increasing FTE's by 258 YoY
  - Compensation mechanism halt from the Belgian state for statutory retirees
- BICS expenses stable YoY, acquisition of TeleSign lapsing in November

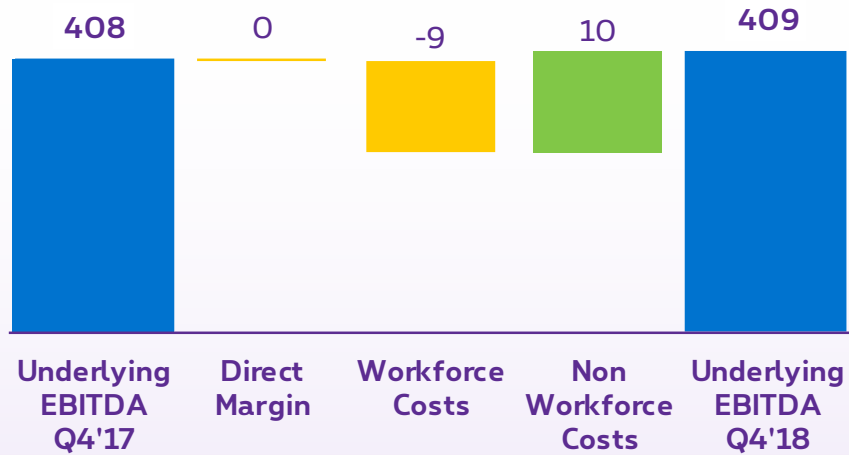
## FTE's



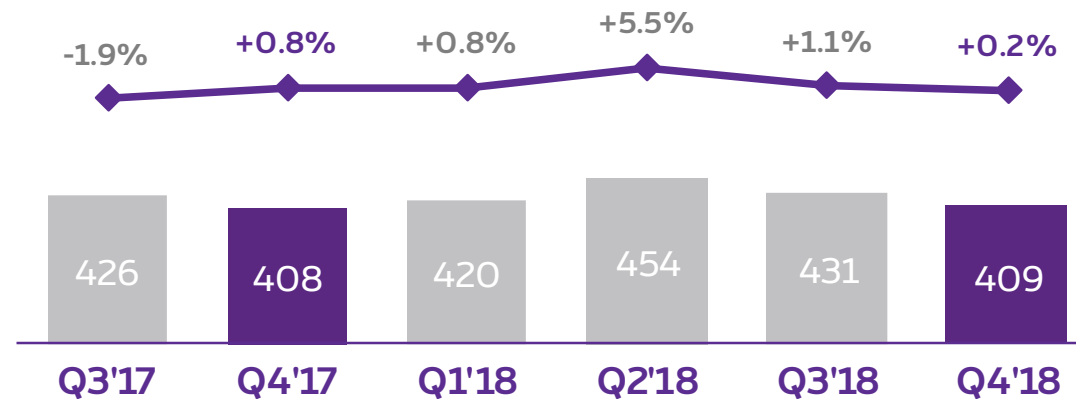
# Domestic EBITDA

+0.2% YoY for Q4, with higher workforce expenses offset by lower non workforce expenses

Q4  
(M€)



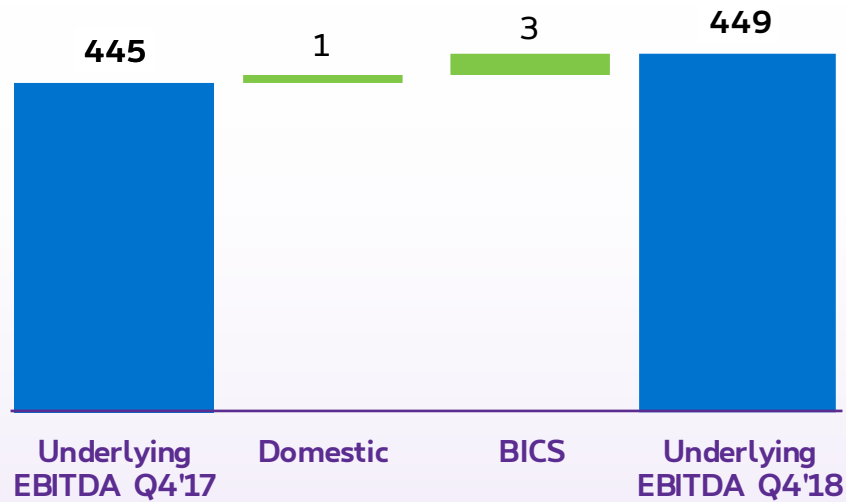
Q's  
(M€)



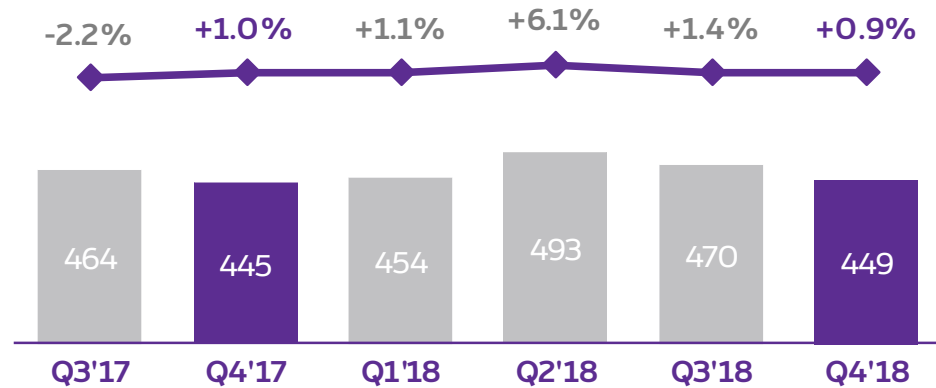
# Group EBITDA + 0.9%

Both Domestic operations and BICS showing progress from prior year

Q4  
(M€)

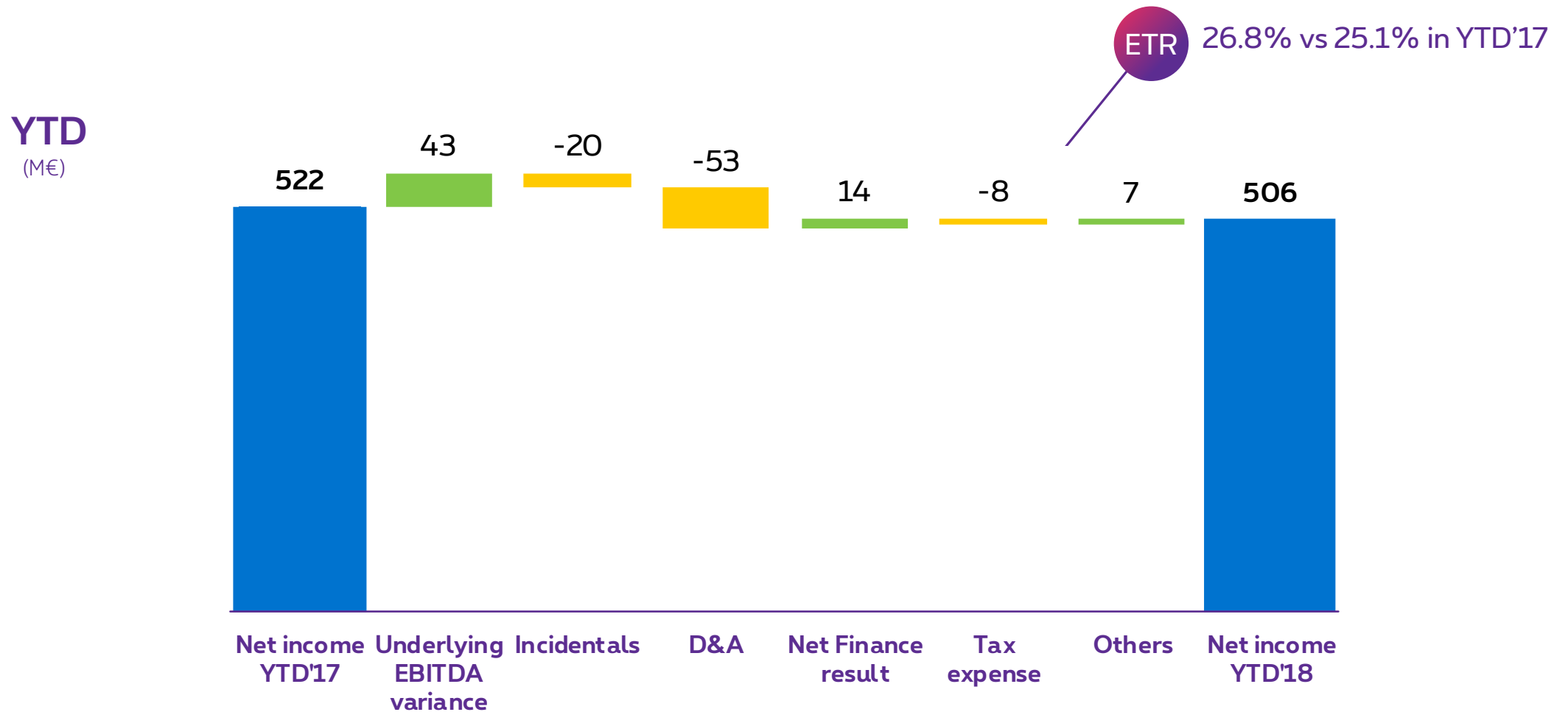


Q's  
(M€)



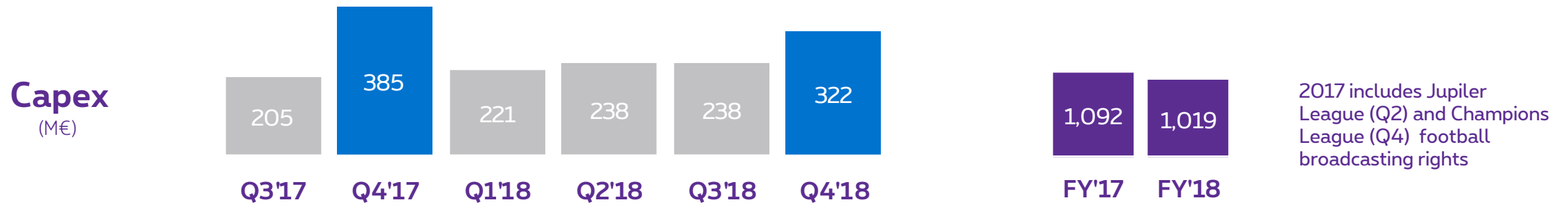
# Net Income (Group share)


€ 117m Net Income in Q4 leading to a total of € 506m YTD'18



# € 1,019 M capex FY'18

Proximus invests extensively in enhancing its networks and improving the overall customer experience.



 **High-quality Mobile network**

- 4G pop coverage
  - outdoor 99.9%
  - indoor 99.5%
- + Mobile sites to support traffic increase
- + 4.5G deployment


 **TITAN Project**

**Proactively strengthening our transport network**

Backbone of all voice, data & TV traffic


↓

**Data capacity x10**


 **Copper upgrade**

**95% FttC, 88% vectoring**


- >50% 100 Mbps
- Av. VDSL speed - Mbps Proximus customers




Period	Value
Q4'17	72
Q4'18	76

 **Fiber build**

**FttH & FttB**



 **IT**

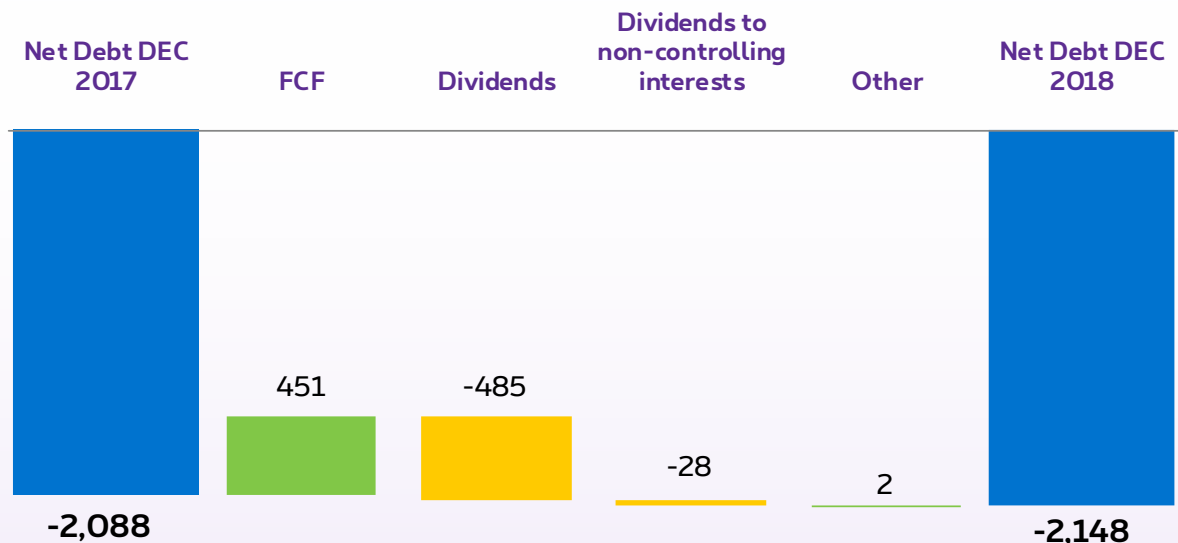
**Renewed & simplified IT systems**

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

# Sound financial position

Proximus optimized its long term debt

**Net Debt**  
(YTD, M€)



**5.6 Yrs**

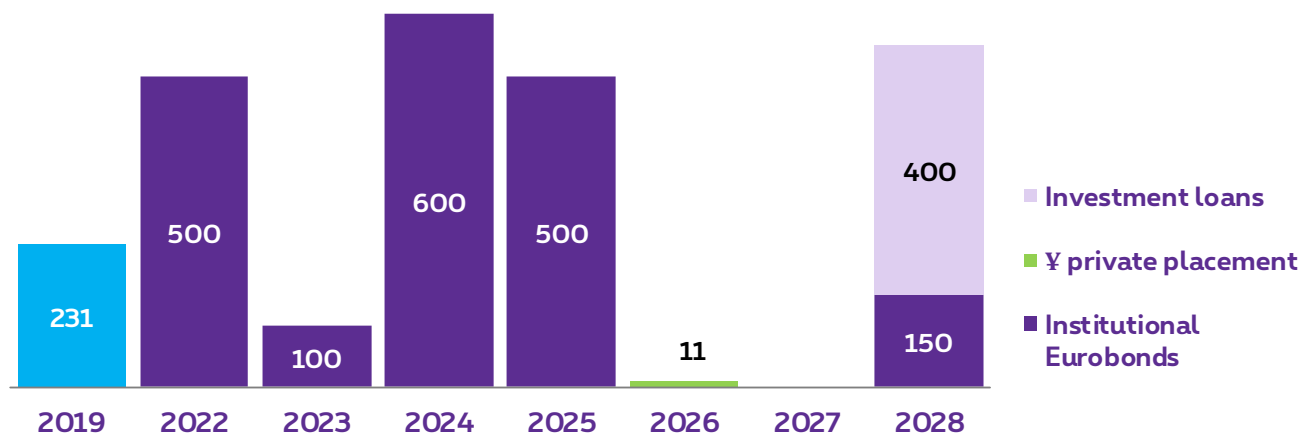
Average debt duration

**1.78%**

Weighted average coupon

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

**Debt Maturity Schedule**  
(M€)



**Liquidity end Q4'18:**

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

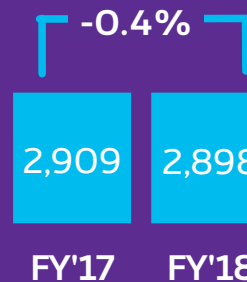
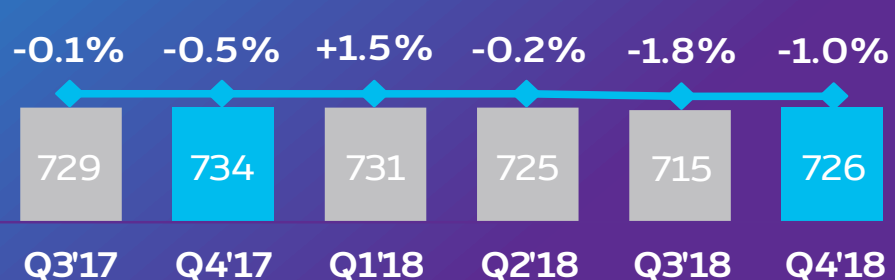


# Consumer results

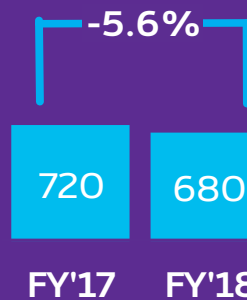
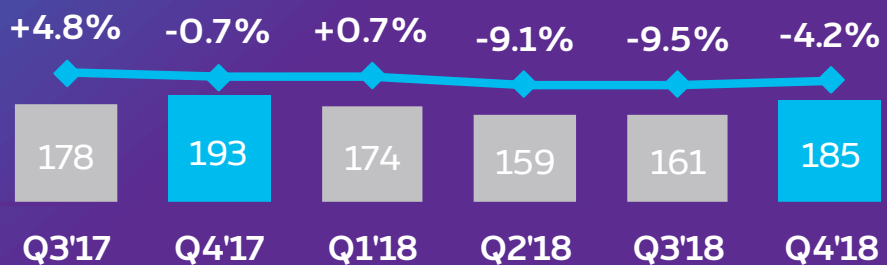
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# Consumer

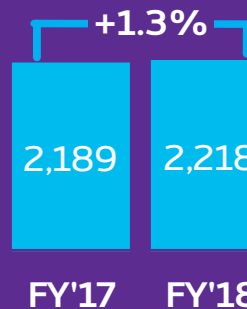
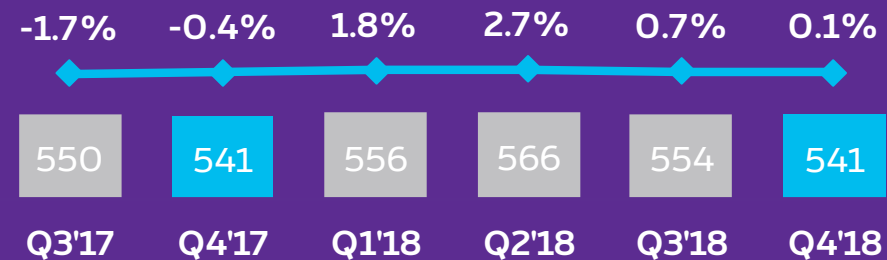
## Revenue (M€, YoY)



## Cost of Sales (M€, YoY)



## Direct Margin (M€, YoY)



Q4'18 Revenue growth in Fixed Services partly compensating for the Prepaid loss and for decreased low margin revenue in mobile terminal sales and inbound.

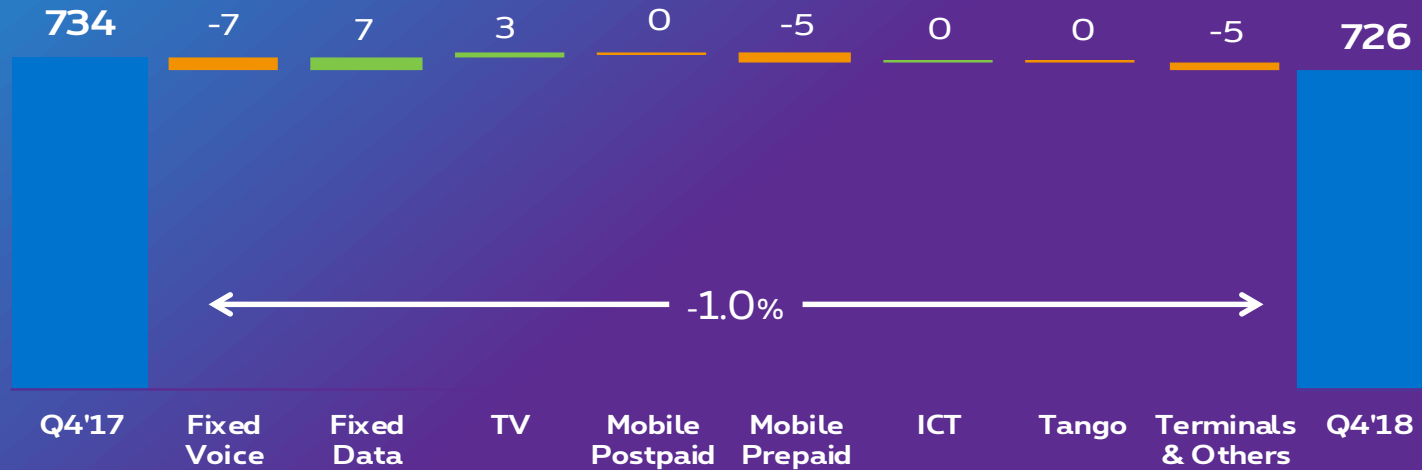
Customer-driven direct margin growth in Q4 offset by :

- continued prepaid erosion
- successful end-of-year campaign
- impact of the new legislation on collection fees.

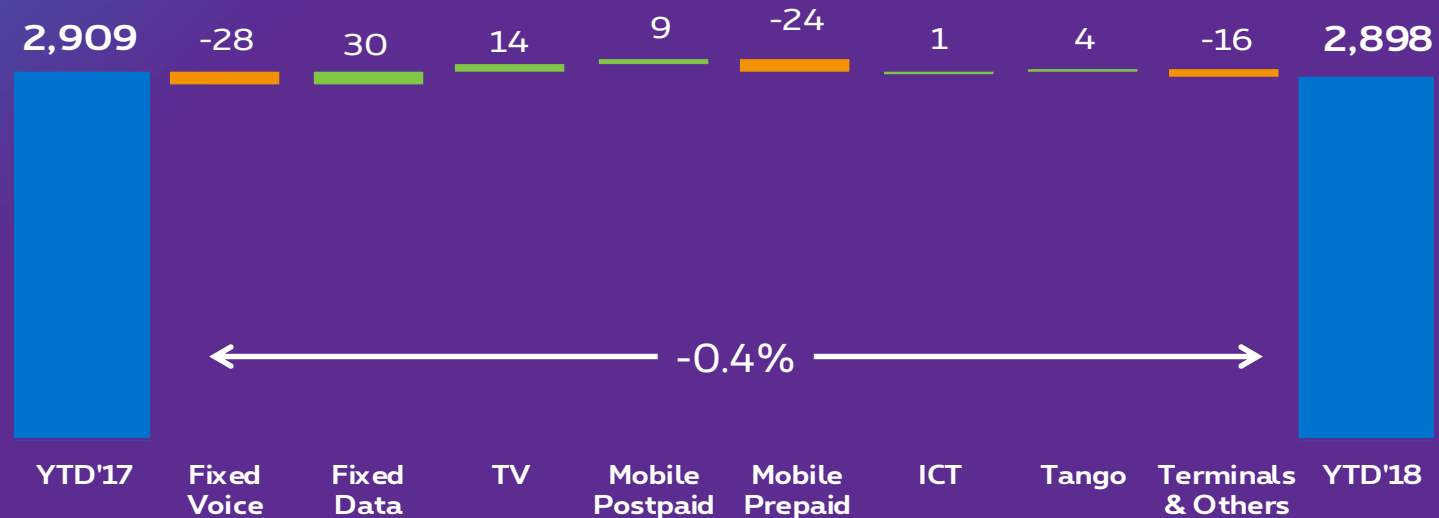
74.5% DM on revenue, +0.8pp YoY

# Revenue

**Q4**  
(M€)



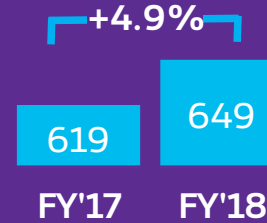
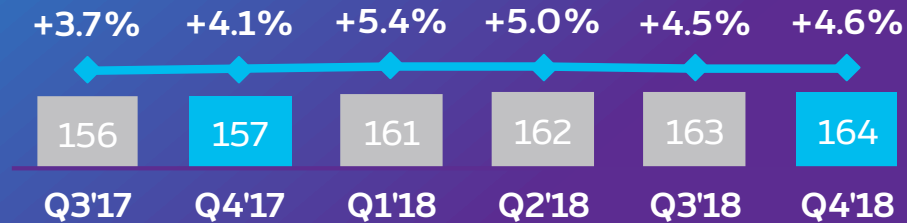
**FY**  
(M€)



Q4'18 Consumer revenue down 1.0%. Growth in Internet and TV revenue partly compensating for the Fixed voice erosion, lower Prepaid & Terminal sales revenue.

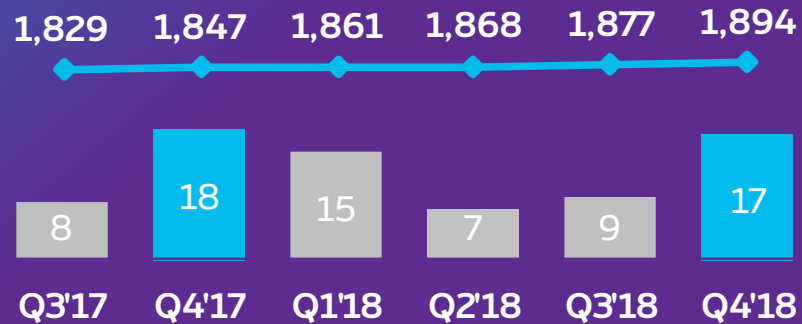
# Fixed data (internet)

Fixed data revenue (M€) & YoY



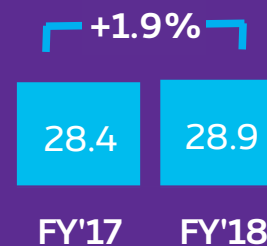
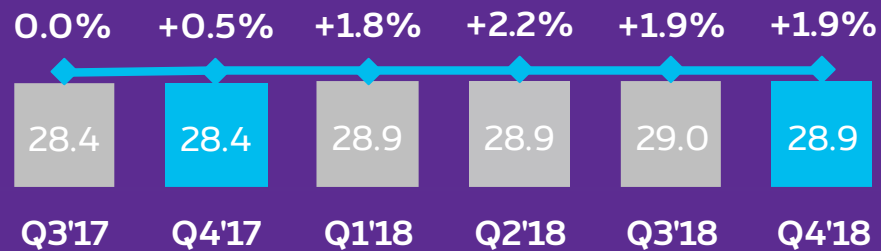
Increasing Internet customer base for both the Proximus and Scarlet brands.

Broadband growth & EOP (000)



**+47,000**  
Internet customers  
Park +2.5% YoY

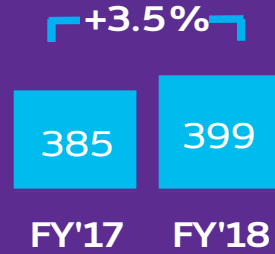
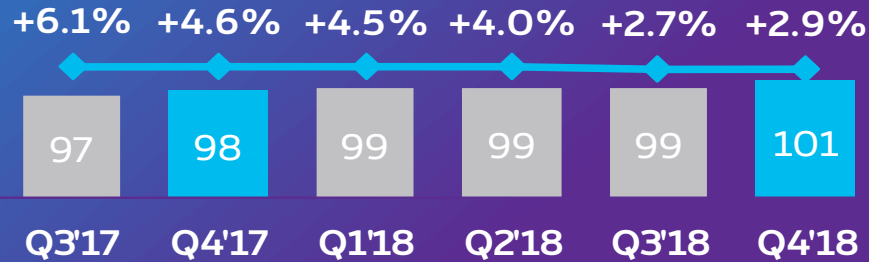
Broadband ARPU (€) & YoY variance



ARPU increase reflecting price changes of 1 Jan '18.

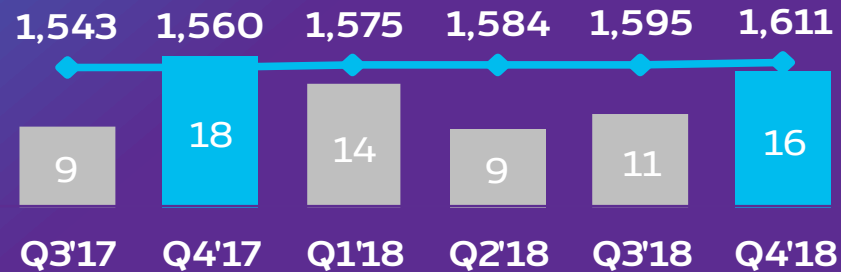
# TV

TV revenue (M€) & YoY variance



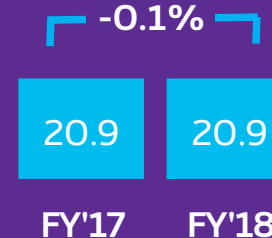
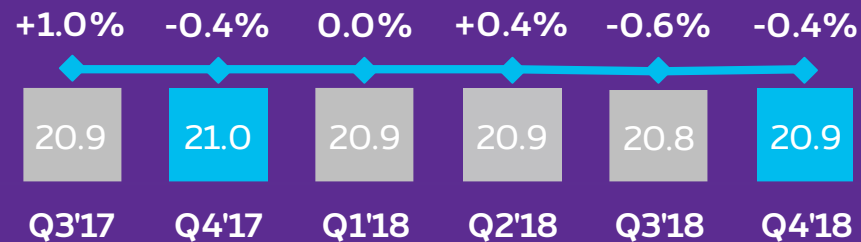
Growing base, supported by year-end campaign of Proximus brand and continued success of Scarlet.

Unique TV - customers (000)



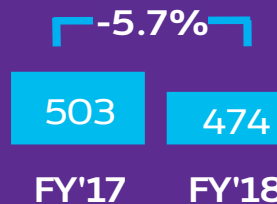
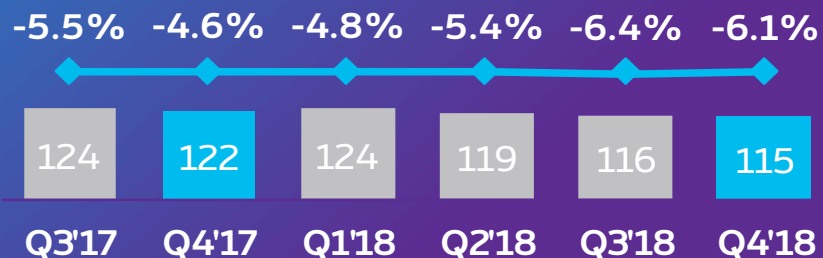
**+50,000**  
TV households  
+3.2% YoY

Fixed TV ARPU (€) & YoY variance

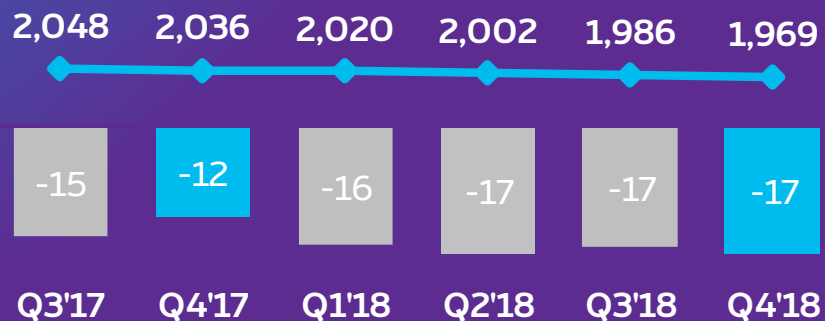


# Fixed voice

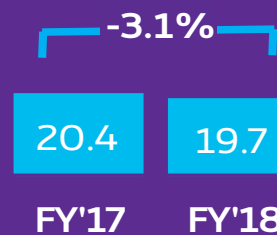
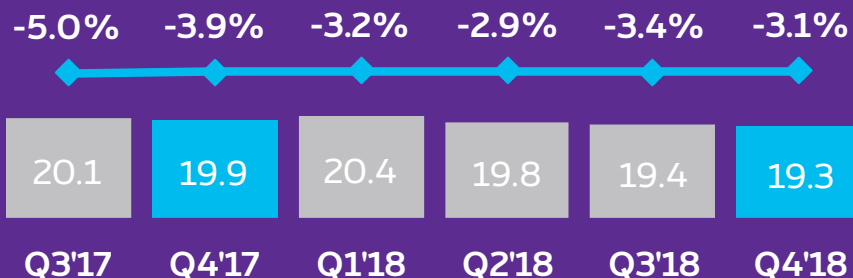
Fixed voice revenue (M€) & YoY variance



Voice line loss/gain & EOP (000)



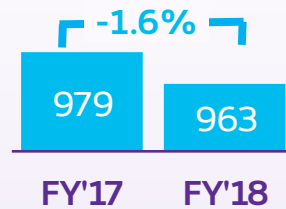
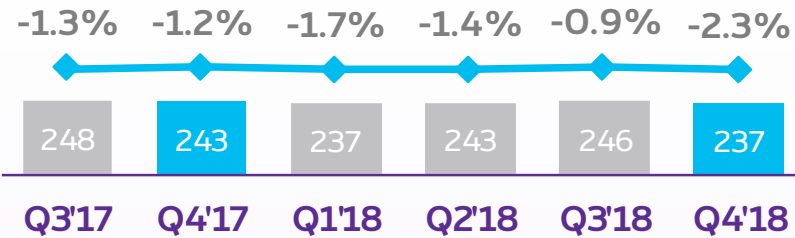
Fixed voice ARPU (€) & YoY variance



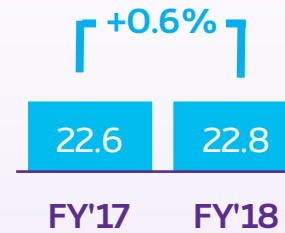
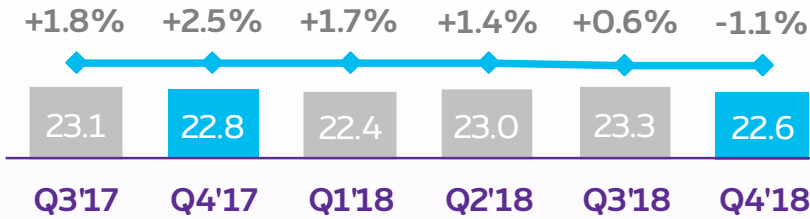
YoY revenue decline driven by continued line erosion and lower traffic, partially offset by Jan'18 price changes for 1-P Fixed Voice.

# Mobile service revenue

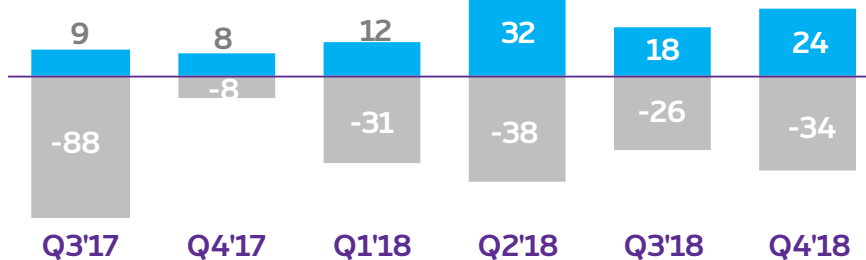
Mobile service revenue (M€) & YoY variance



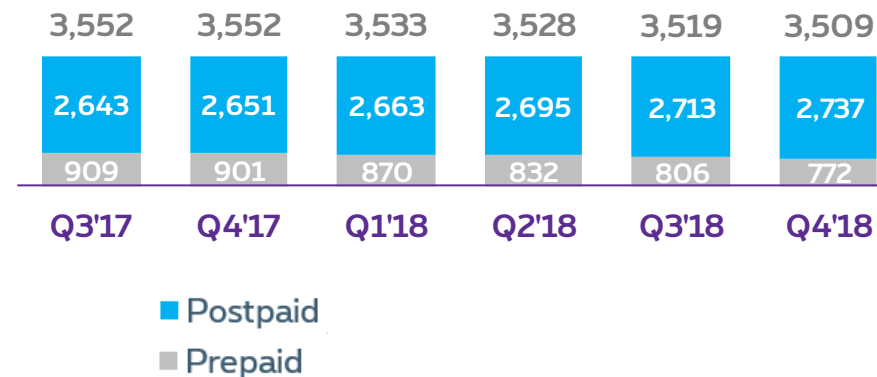
Blended net mobile ARPU (€) & YoY variance



Mobile Net Adds (000's)



Mobile Park (000's)



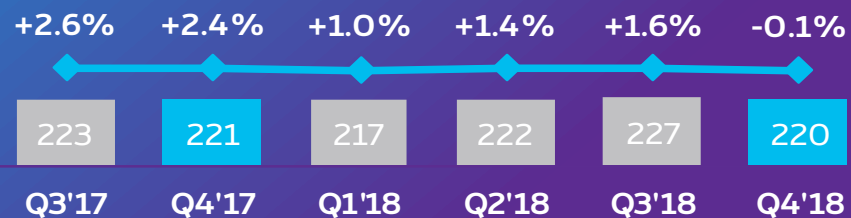
**+86,000**  
**+3.3% YoY**

Mobile Postpaid cards in 2018 on the Proximus and Scarlet brands

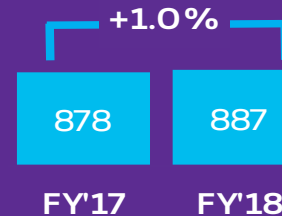
# Postpaid and prepaid

## Postpaid

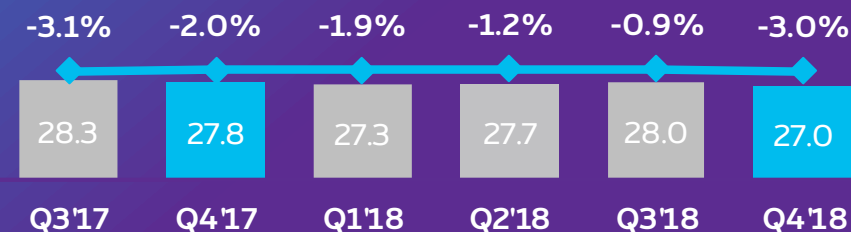
Revenue (M€) & YoY



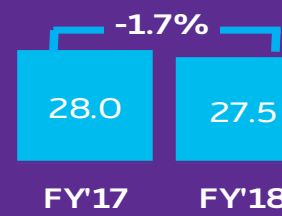
Quarter	Revenue (M€)
Q3'17	223
Q4'17	221
Q1'18	217
Q2'18	222
Q3'18	227
Q4'18	220



ARPU (€) & YoY variance



Quarter	ARPU (€)
Q3'17	28.3
Q4'17	27.8
Q1'18	27.3
Q2'18	27.7
Q3'18	28.0
Q4'18	27.0

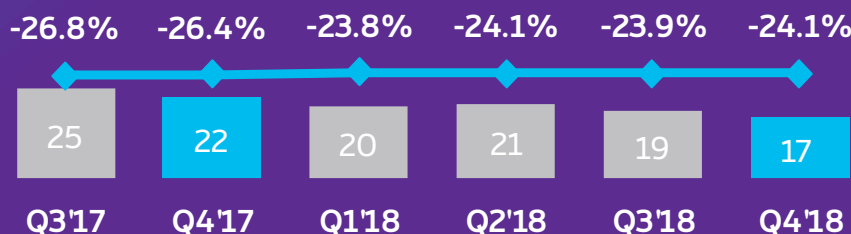


Good traction of EPIC offer for millennials and revamped offer in Nov'18, offering unlimited Voice or Data.

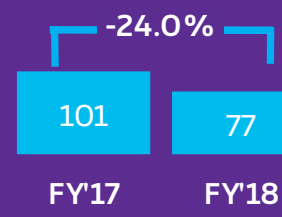
Higher subscription revenue offset by lower revenue from inbound and out-of-bundle, impacting ARPU.

## Prepaid

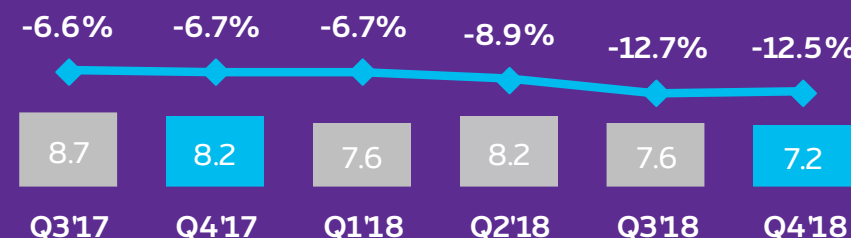
Revenue (M€) &



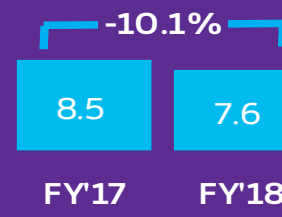
Quarter	Revenue (M€)
Q3'17	25
Q4'17	22
Q1'18	20
Q2'18	21
Q3'18	19
Q4'18	17



ARPU (€) & YoY variance



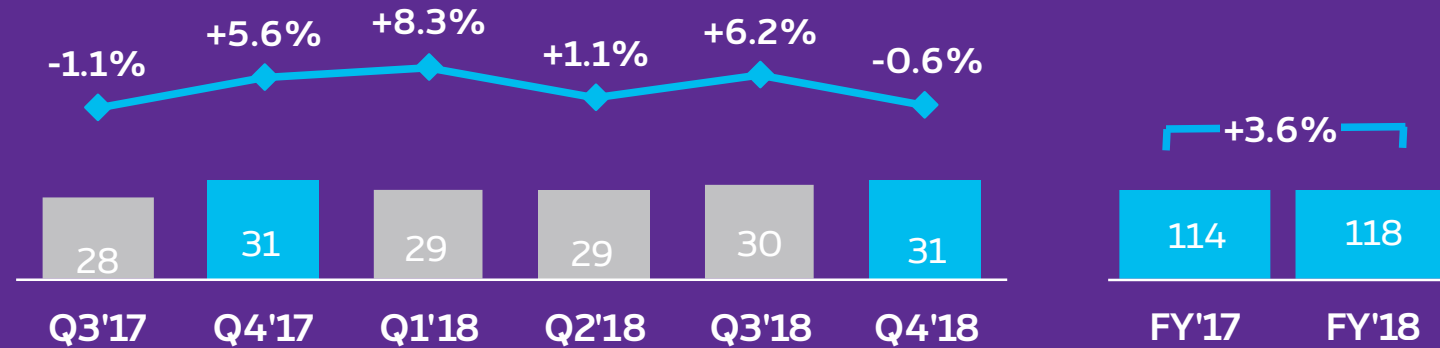
Quarter	ARPU (€)
Q3'17	8.7
Q4'17	8.2
Q1'18	7.6
Q2'18	8.2
Q3'18	7.6
Q4'18	7.2



Active Prepaid migration to similar higher-value "Full-Control" mobile offers

# Tango Luxembourg

Tango revenue (M€) & YoY variance



- Revenue fairly stable in competitive market.
- Steady growth in mobile revenue and successful execution of convergence strategy with FttH driving increase in internet revenue.

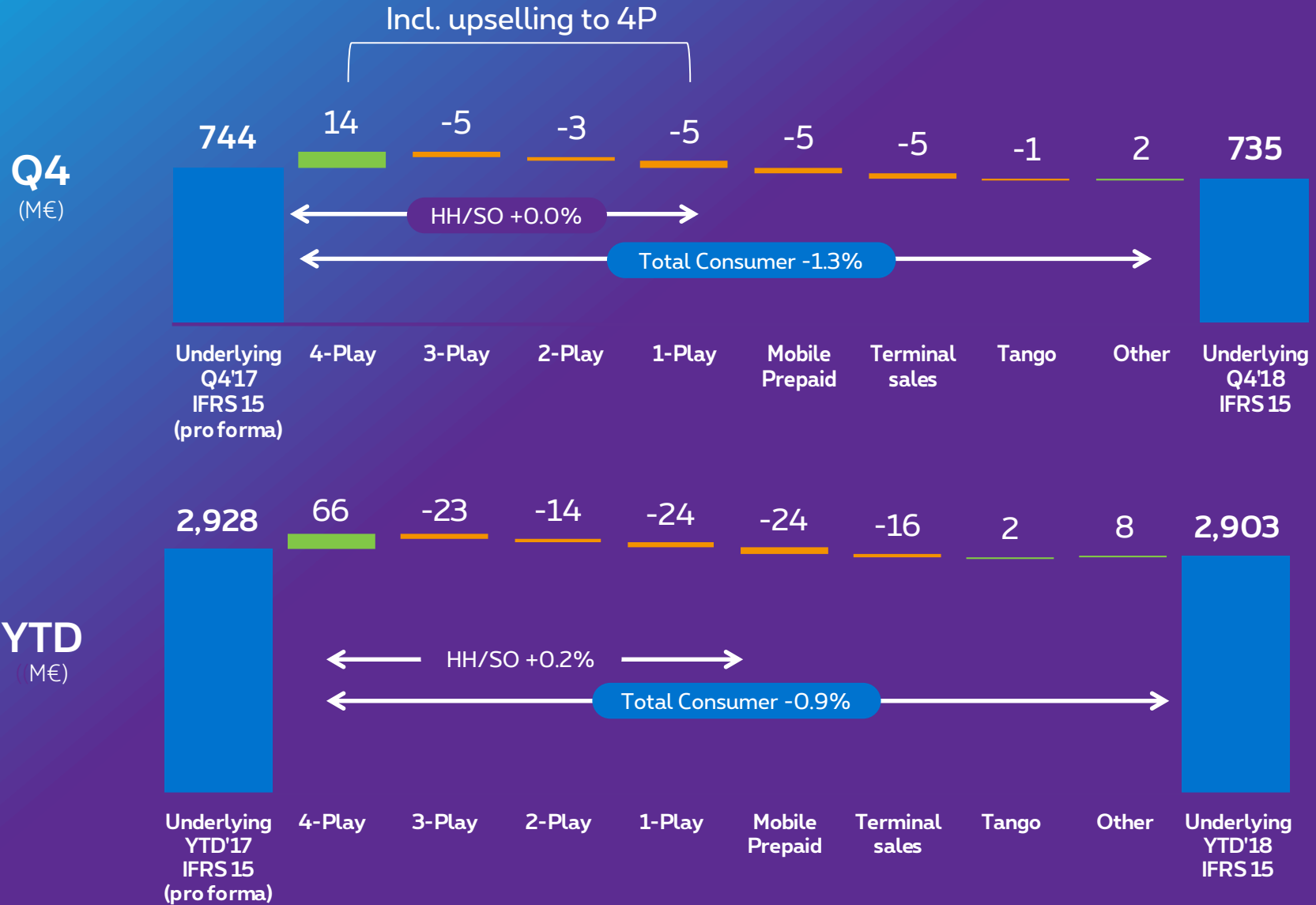
# X-Play view

(under IFRS 15)

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# Stable revenue from HH/SO



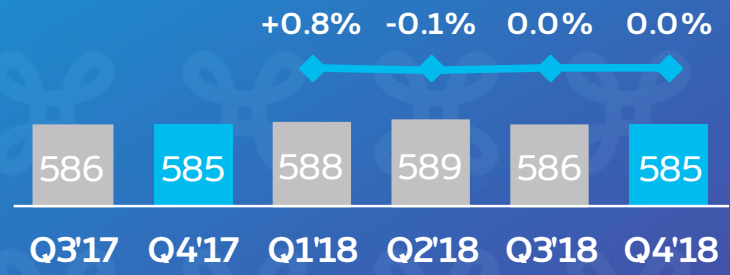
Proximus' strategy to focus on multi-play offers resulting in continued uptiering to 4-Play, revenue up 6.1% YoY in Q4'18

Lower Mobile devices revenue with no effect on margin

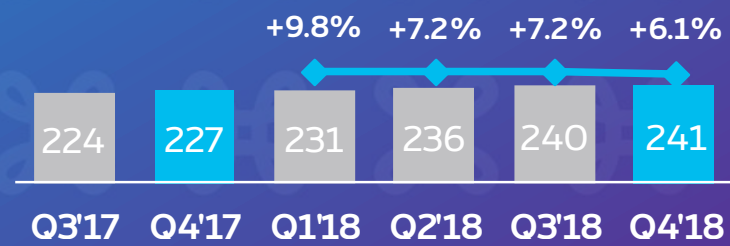
Lower Prepaid revenue on eroding base in a declining market and migration to similar postpaid price plans

# Continued revenue shift to 4-Play

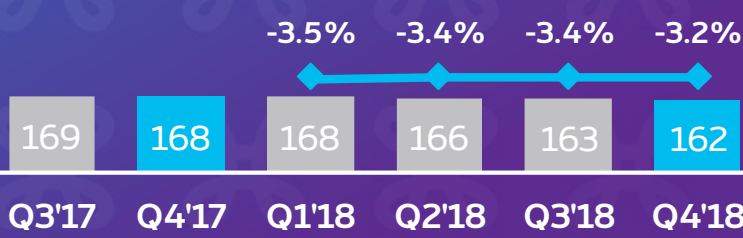
**X-Play**  
revenue (M€) & YoY variance



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

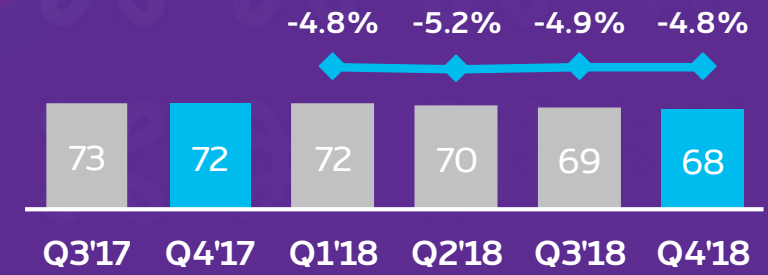


**3-Play**  
revenue (M€) & YoY variance

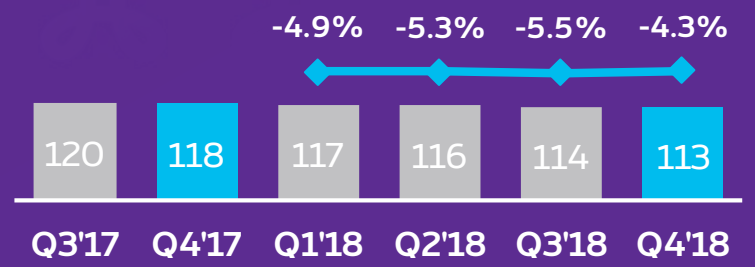


4-Play revenue up 6.1% YoY, representing 33% of Total Consumer revenue

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



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



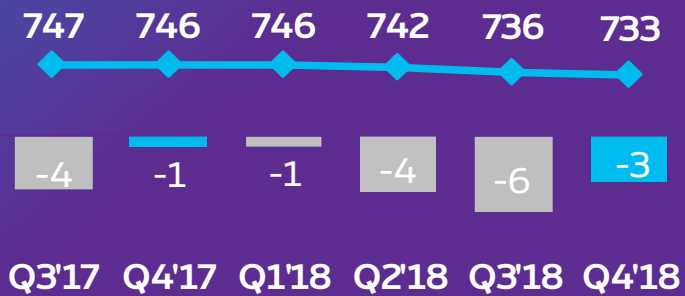
# Increasing number of customers on 4-Play

Improving Customer Mix, average RGU per HH/SO up 2.5% to 2.77  
 + 48,000 4-Play HH/SO YoY (+7.0%)

## 4-Play growth & EOP(000)



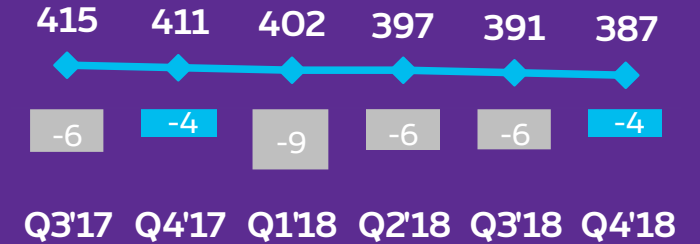
## 3-Play growth & EOP(000)



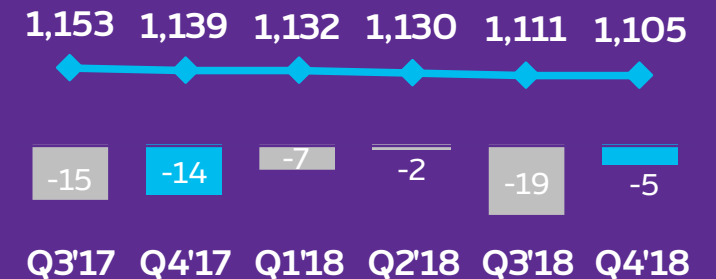
25%  
of HH/SO  
on 4P

4.89  
4P RGU

## 2-Play growth & EOP(000)



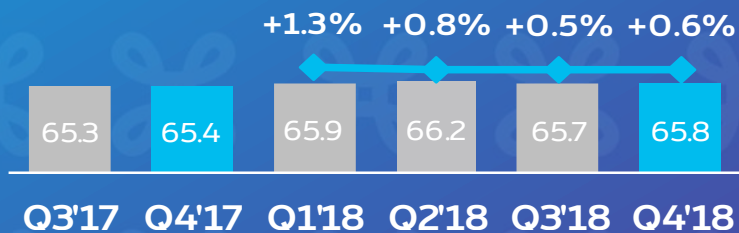
## 1-Play growth & EOP(000)



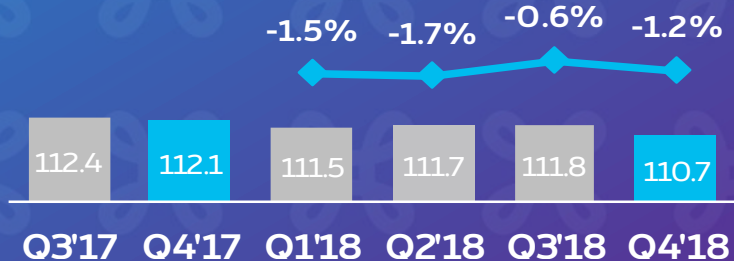
# Overall ARPH up 0.6% YoY

Progress to € 65.8, on improved customer mix

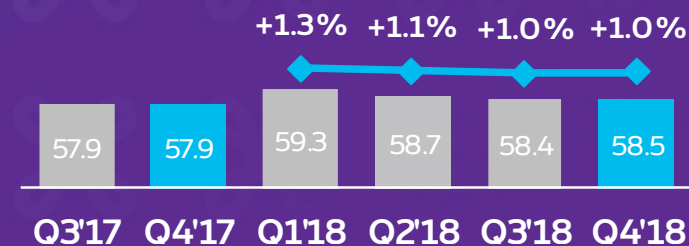
**X-Play**  
ARPH (€)  
&  
YoY  
Variance



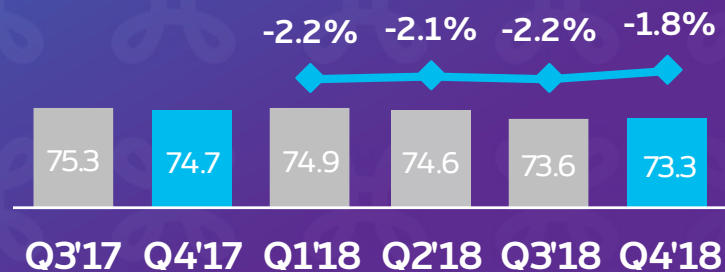
**4-Play**  
ARPH (€)  
&  
YoY  
Variance



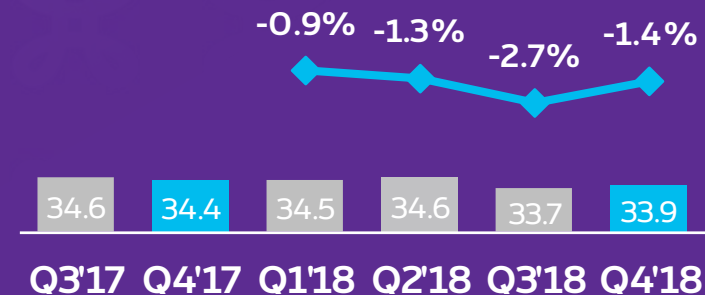
**2-Play**  
ARPH (€)  
&  
YoY  
Variance



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



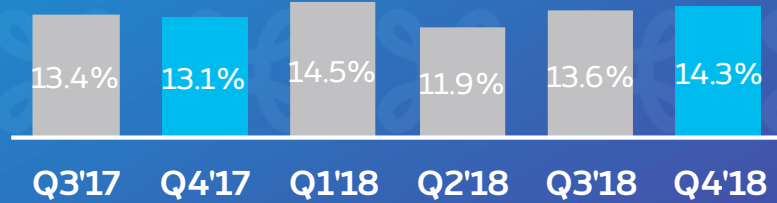
**1-Play**  
ARPH (€)  
&  
YoY  
Variance



# Annualized full churn rates

## X-Play

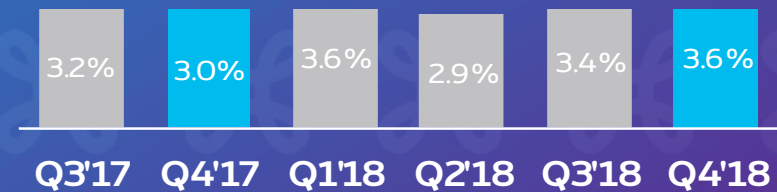
Annualized full churn rate



Convergent HH/SO maintained very low full churn rates, in spite of competitive intensity

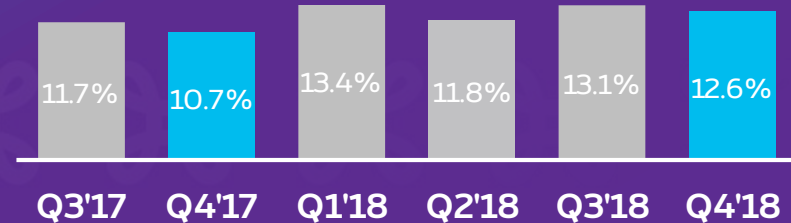
## 4-Play

Annualized full churn rate



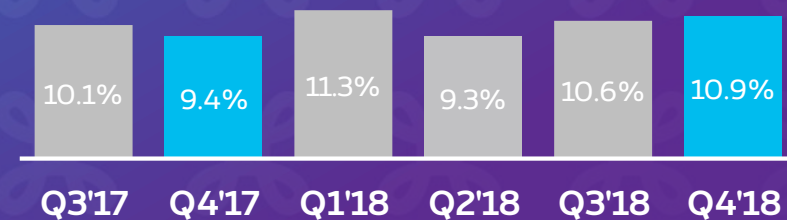
## 2-Play

Annualized full churn rate



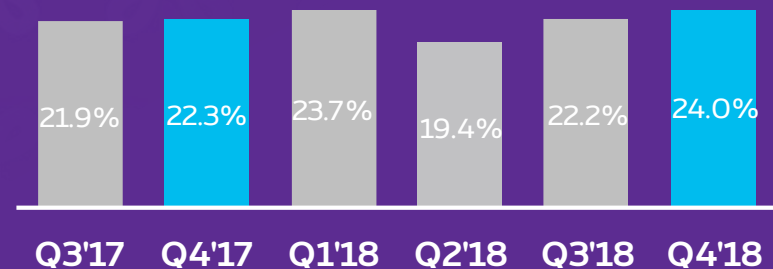
## 3-Play

Annualized full churn rate



## 1-Play

Annualized full churn rate



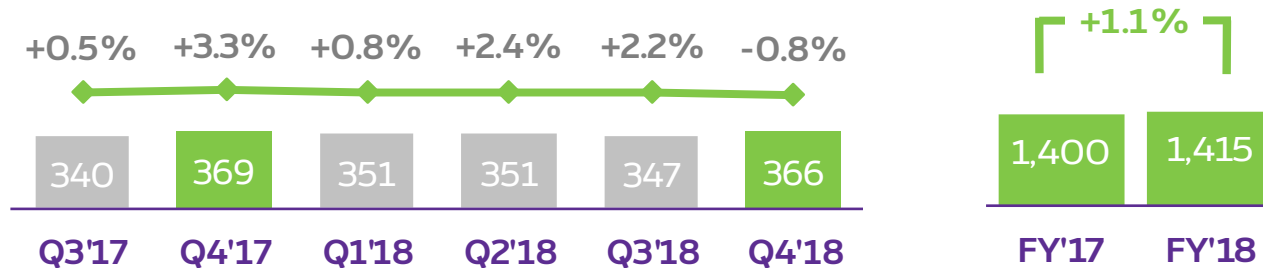
# Enterprise results

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# Enterprise

**Revenue**  
(M€, YoY)

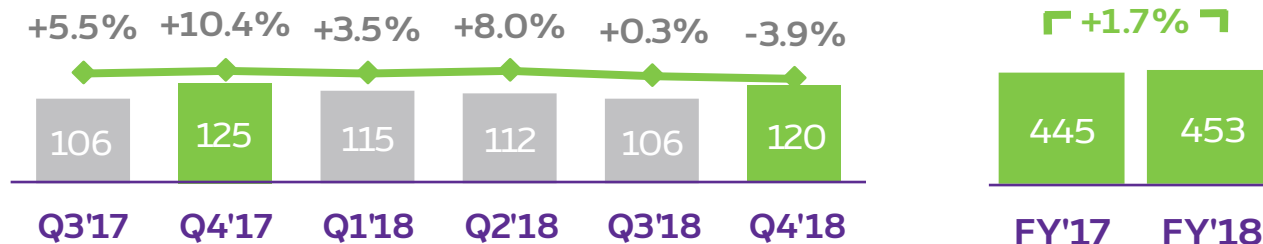


Ongoing change in revenue mix from high-margin connectivity services to labour-intensive ICT services.

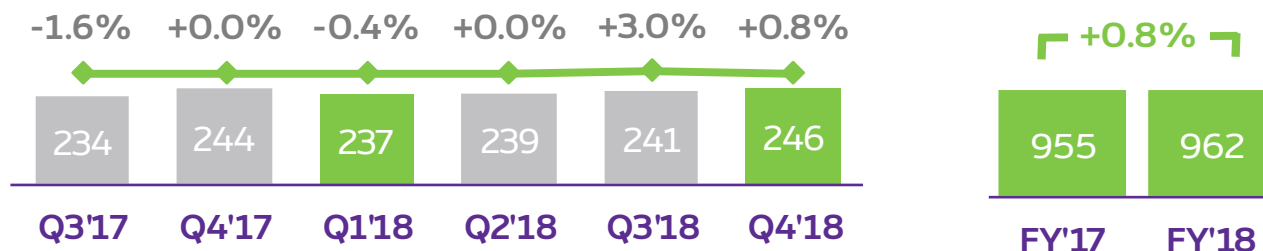
Direct margin up 0.8% YoY. ICT, Mobile Services and Advanced Business Services contribution more than offsetting impact fixed voice erosion.

67.2% DM on revenue, +1.1pp YoY

**Cost of Sales**  
(M€, YoY)

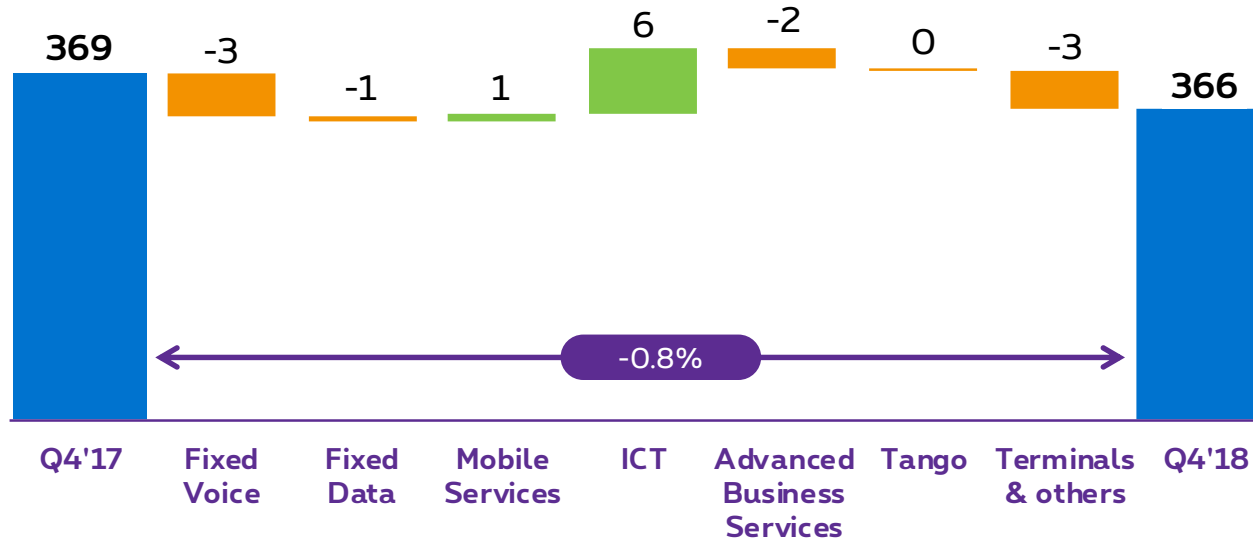


**Direct Margin**  
(M€, YoY)

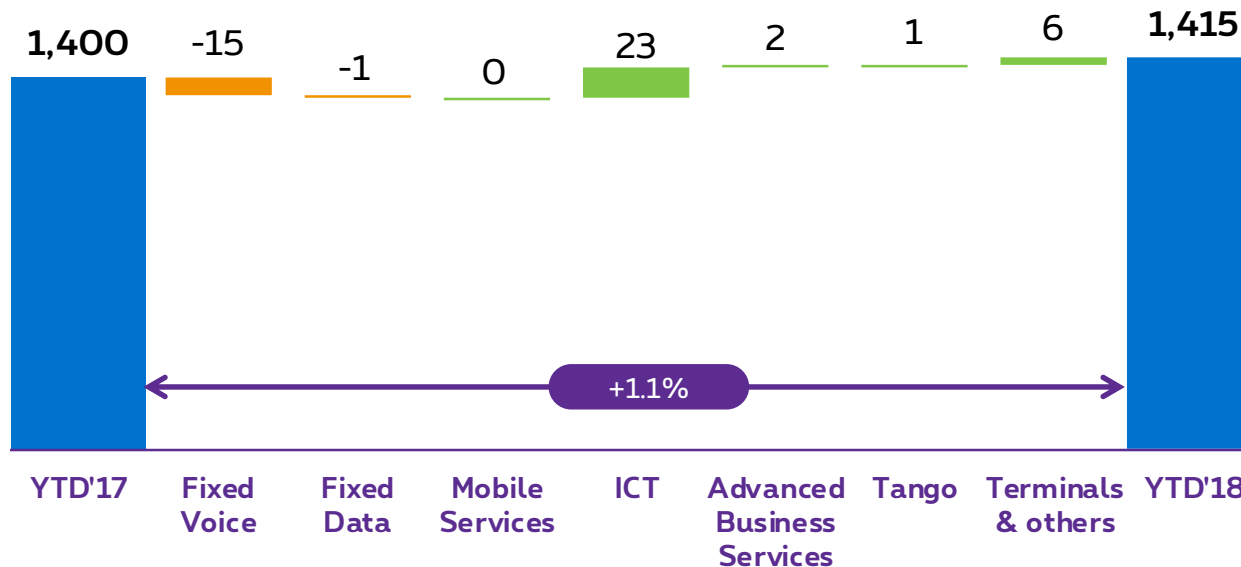


# Revenue

Q4  
(M€)



YTD  
(M€)



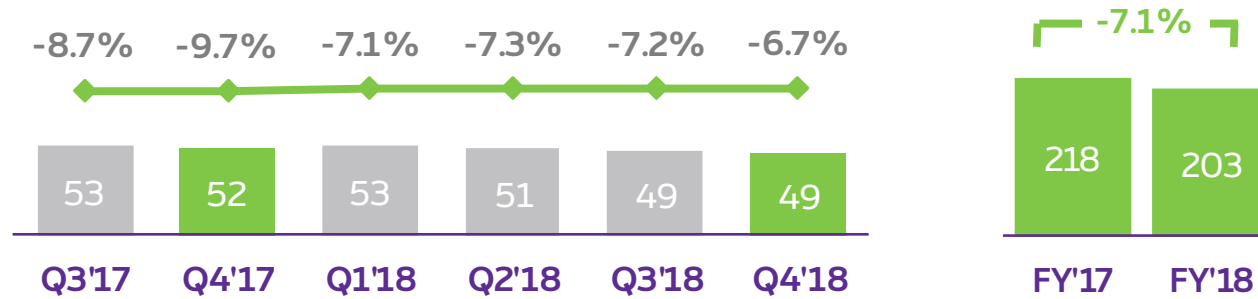
Q4'18

Enterprise revenue  
-0.8% YoY

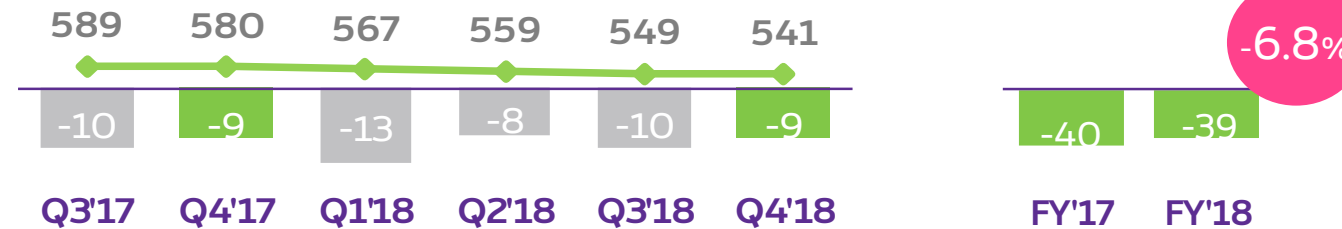
- + Solid mobile customer growth drives +0.9% Mobile Service revenue
- + ICT benefitting from the contribution of acquired companies
- Pressure on legacy Fixed Voice
- Lower Advanced Business Services on high comparable Q4 base
- In Q4'18 less mobile devices sales, at low direct margin

# Fixed Voice

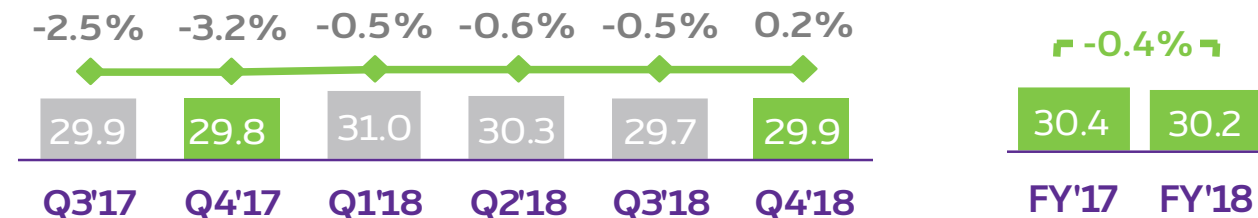
Fixed voice revenue (M€) & YoY variance



Voice line loss/gain & EOP (000)



Fixed voice ARPU (EUR) & YoY variance

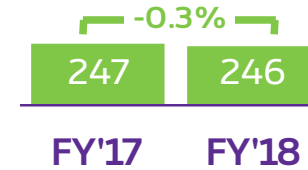
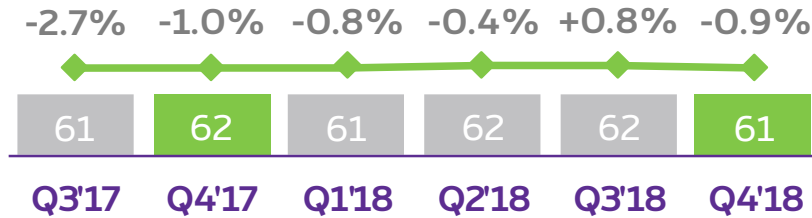


Ongoing rationalization by customers on Fixed line connections, lower usage, technology migrations to VoIP and competitive pressure.

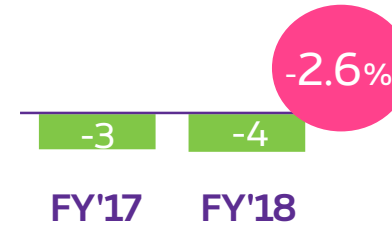
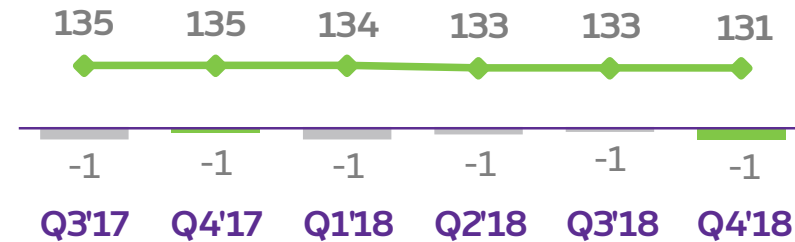
Fairly stable Fixed Voice ARPU with less traffic per line & higher penetration of unlimited call options compensated by Jan'18 price indexations.

# Fixed Data

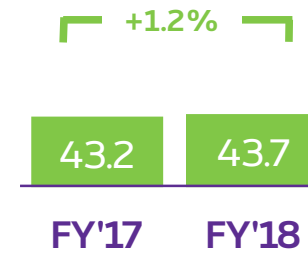
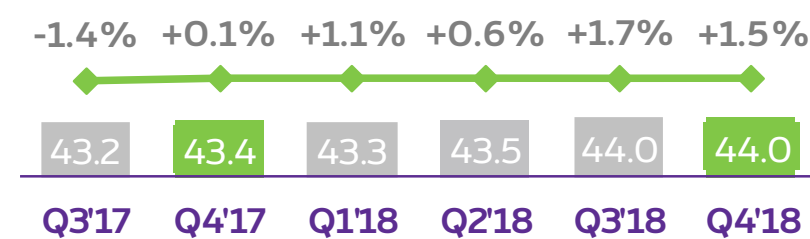
Fixed data revenue (M€) & YoY variance



Broadband growth & EOP (000)



Broadband ARPU (EUR) & YoY variance



Flattish Data Connectivity revenue (largest part in this product category)

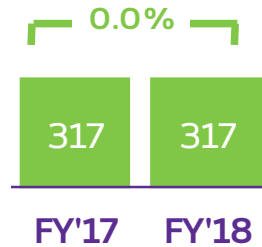
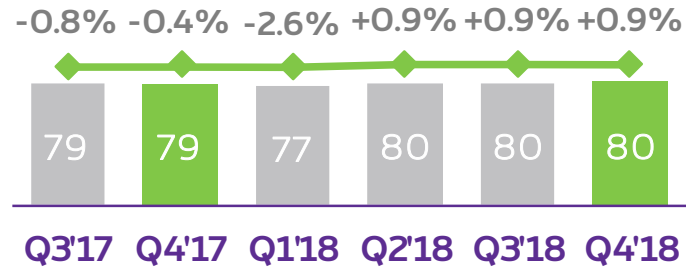
Continued customer migration to Proximus' VPN flagship 'Explore', benefitting from the P2P fiber roll-out.

Legacy products outphased and migrated in the context of simplification programs, new solutions at more attractive pricing.

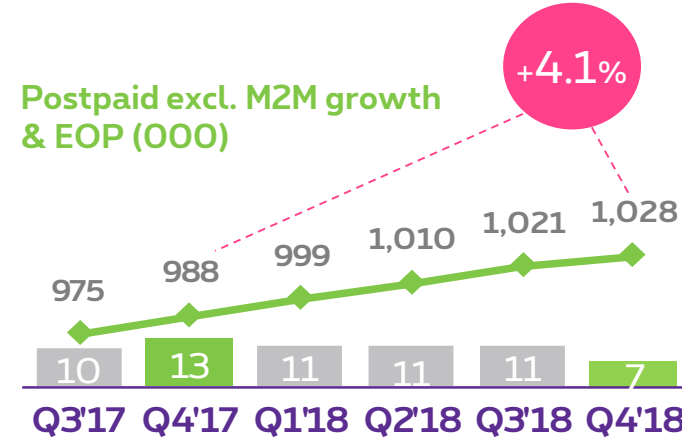
Broadband ARPU benefitted from price indexation effects and growing share of high-end internet in the park.

# Mobile Services

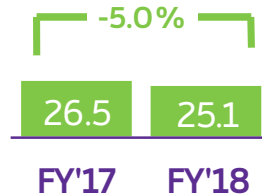
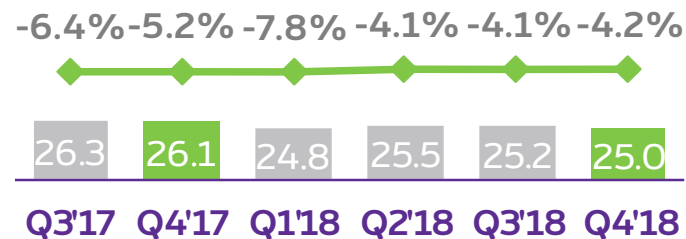
Mobile service revenue (M€) & YoY variance



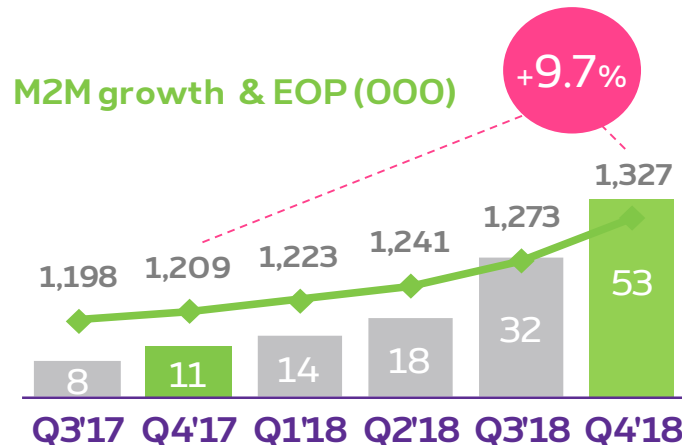
Postpaid excl. M2M growth & EOP (000)



Postpaid ARPU (€) & YoY variance



M2M growth & EOP (000)



+0.9%

Mobile service revenue

Growing customer base still compensating for increased competitive price pressure and customers moving to advantageous price bundles.

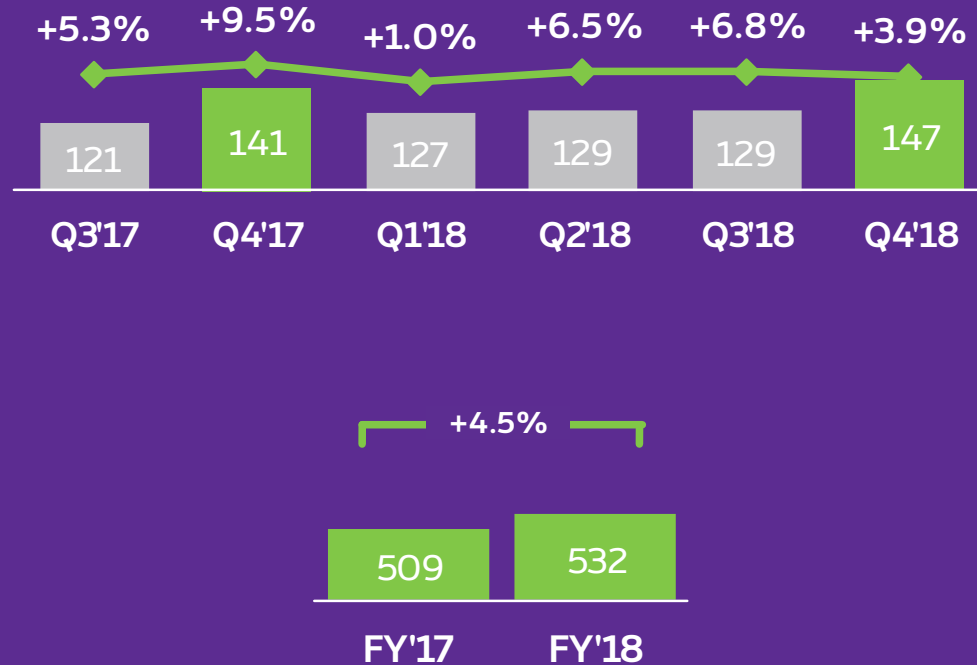
Average national data usage +32% YoY to over 1.7GB/user

+53,000 M2M cards in Q4, of 1/2 related to activation of Road User Charging cards.

# ICT

Successful strategy of expanding portfolio well beyond pure connectivity services.  
 Revenue up 3.9% on a high comparable base.

ICT revenue (M€) & YoY



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

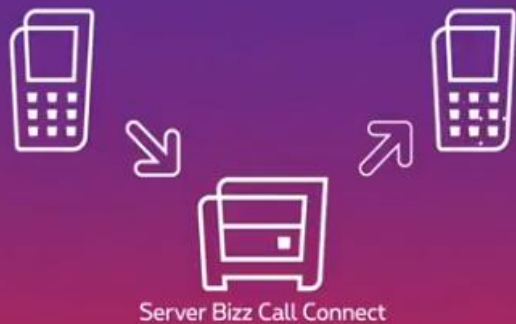
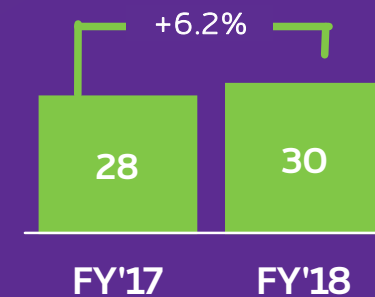
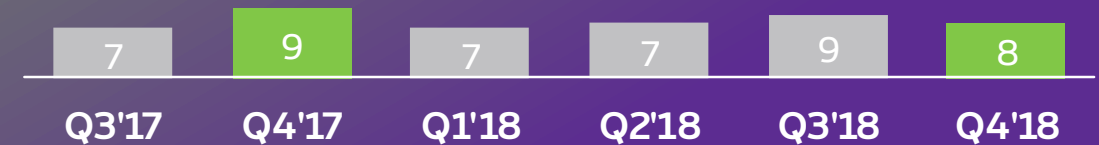


# Advanced Business Services

Revenue from Smart Mobility and convergent business solutions, down from a high comparable base.




## Advanced Business Services (M€)



**Convergent Solutions**

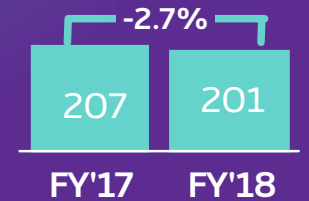
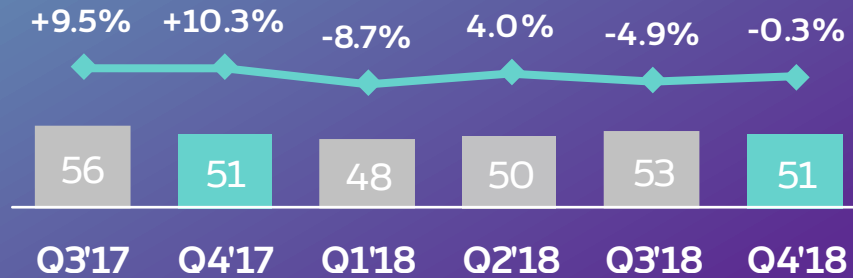
# Wholesale

Stable Q4 revenue with higher traffic-driven roaming revenue offset by less traditional wholesale revenue.

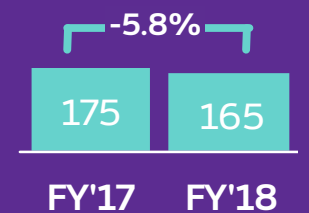
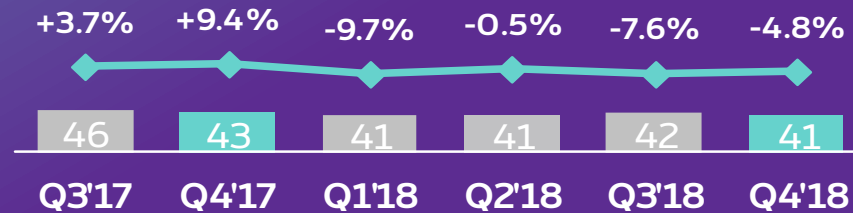
Direct margin affected by lowered WS roaming rates, benefitting Consumer and Enterprise margin.



Revenue (M€) & YoY



Direct margin (M€) & YoY



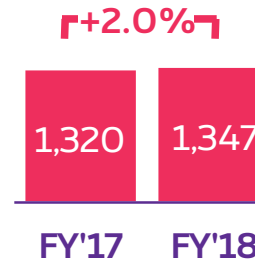
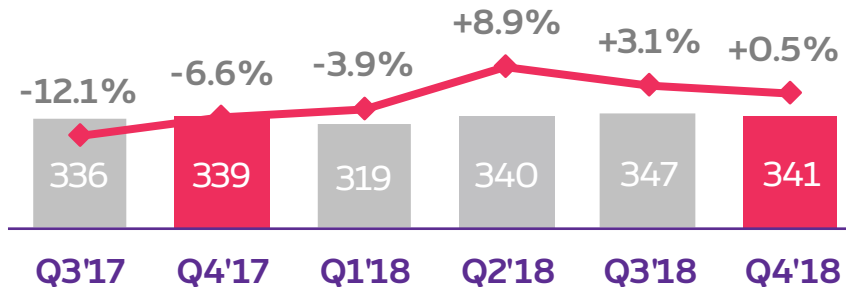


# BICS results

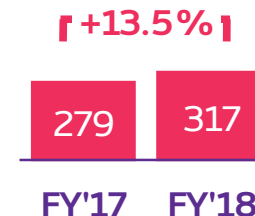
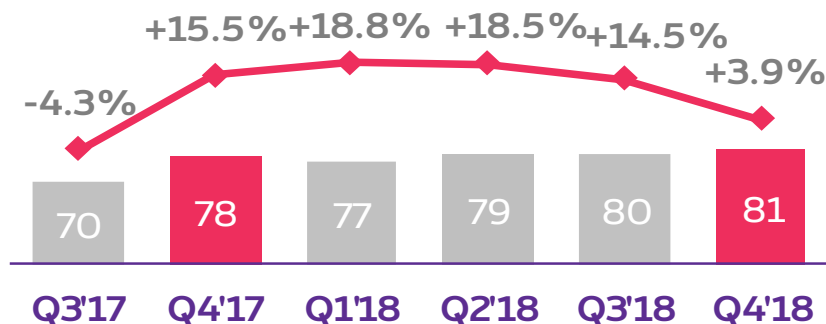
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# BICS segment result

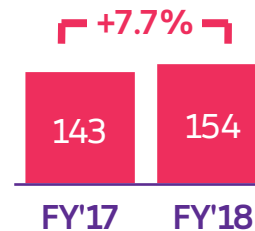
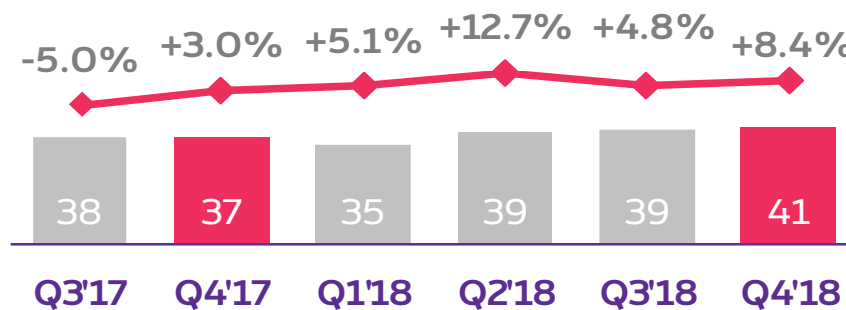
Revenue (M€) & YoY variance



Direct Margin (M€)



Segment result (M€) & YoY variance



TeleSign, consolidation annualized since 1 November 2018.

Direct margin benefitting from consolidation of TeleSign, including direct cost synergies.

Strong growth in SMS A2P volumes driving higher non-Voice margin.

**11.9%**

Q4'18 Segment margin +0.9pp YoY

\* % of revenue

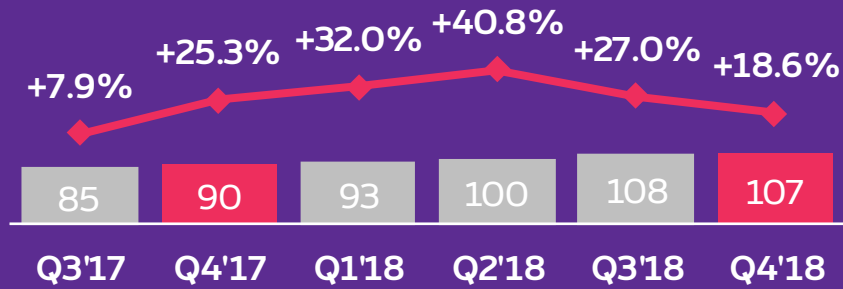
11.0 %\*

11.9 %\*

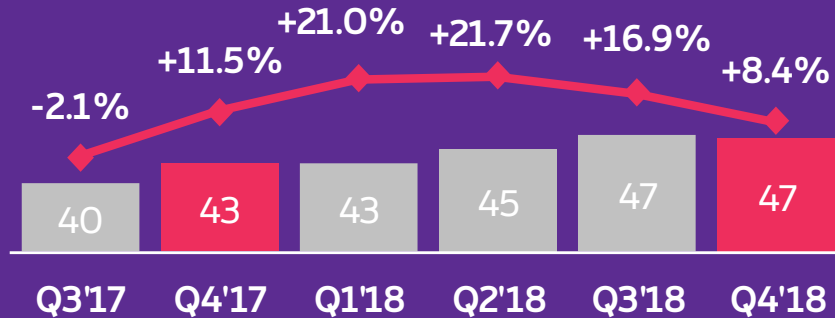
# Non-Voice

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

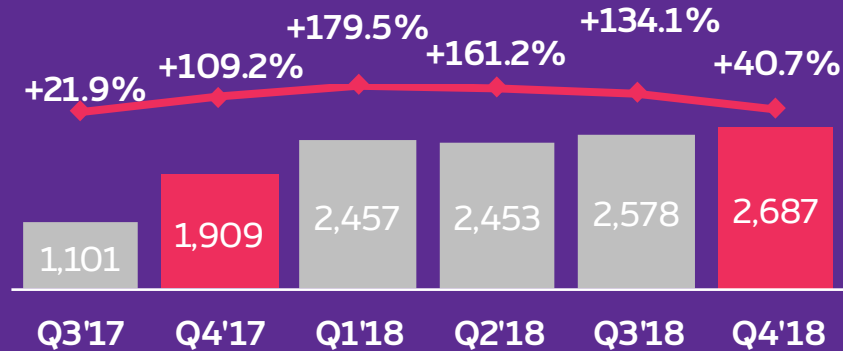
BICS - Non Voice Revenue (M€)



BICS - Non Voice Direct Margin (M€)



BICS - Non Voice Volumes (in mio messages)

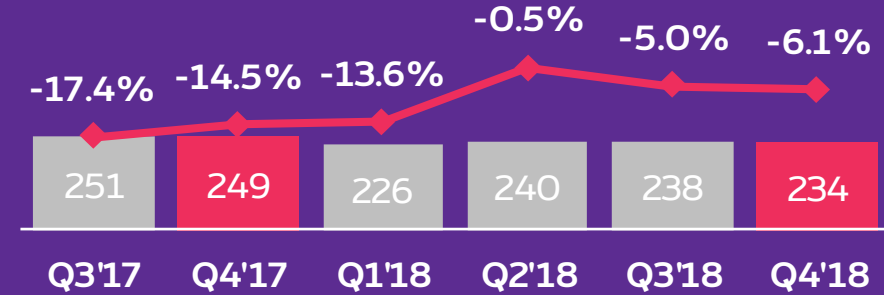


# Voice

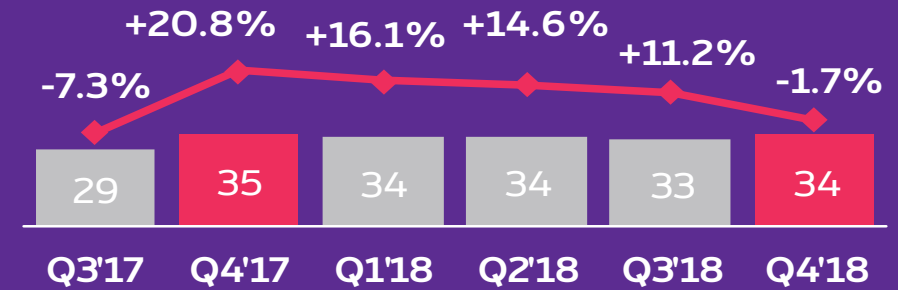


DM decline limited to 1.7%, TeleSign support lapsing since November.

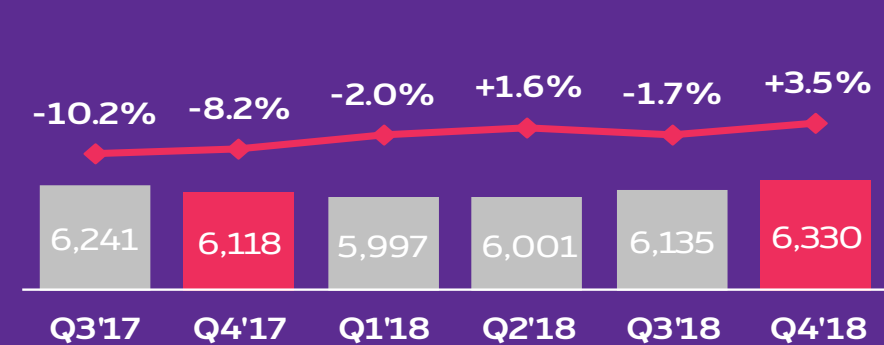
BICS - Voice Revenue (M€)



BICS - Voice Direct Margin (M€)



BICS - Voice Volumes (in mio minutes)



<b>Pricing</b>	77
<b>Spectrum</b>	82
<b>Mobile traffic</b>	84
<b>Headcount</b>	85
<b>Shareholder structure</b>	86
<b>Contact</b>	87

# Mobilus/Tuttimus pricing






Including Tuttimus price increase 1<sup>st</sup> January' 19

Prices incl. VAT

## Mobile only

### Mobilus

Standalone price:


S	M	L	XL Unlimited
 <p><b>1.5 GB</b> Unlt. sms 120 min.</p>	 <p><b>5 GB</b> Unlt. sms Unlt. min</p>	 <p><b>10 GB</b> Unlt. sms Unlt. min</p>	 <p><b>Unlt. data *</b> Unlt. sms Unlt. min</p>
+ Unlimited Mobile data for your favourite App 			
<b>€ 15.99</b>	<b>€ 26.99</b>	<b>€ 36.99</b>	<b>€ 42.99</b>

## All-in offer

### Tuttimus



Price Mobile in pack:

S	M	L	XL Unlimited
<p><b>3 GB</b> Unlt. sms 120 min. + CUG</p>	<p><b>10 GB</b> Unlt. sms Unlt. min</p>	<p><b>20 GB</b> Unlt. sms Unlt. min</p>	<p><b>Unlimited data *</b> Unlt. sms Unlt. min</p>
+ Unlimited Mobile data for your favourite App 			
<b>€ 92.94</b>	<b>€ 103.94</b>	<b>€ 113.94</b>	<b>€ 117.94</b>
<b>€ 15.99</b>	<b>€ 26.99</b>	<b>€ 36.99</b>	<b>€ 40.99</b>

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

# Bizz Mobile portfolio

Prices excl. VAT

## Bizz Mobile

Standalone price:

Multi-Mobile:

\*Previous -20% lifetime discount

## Mobile in pack:

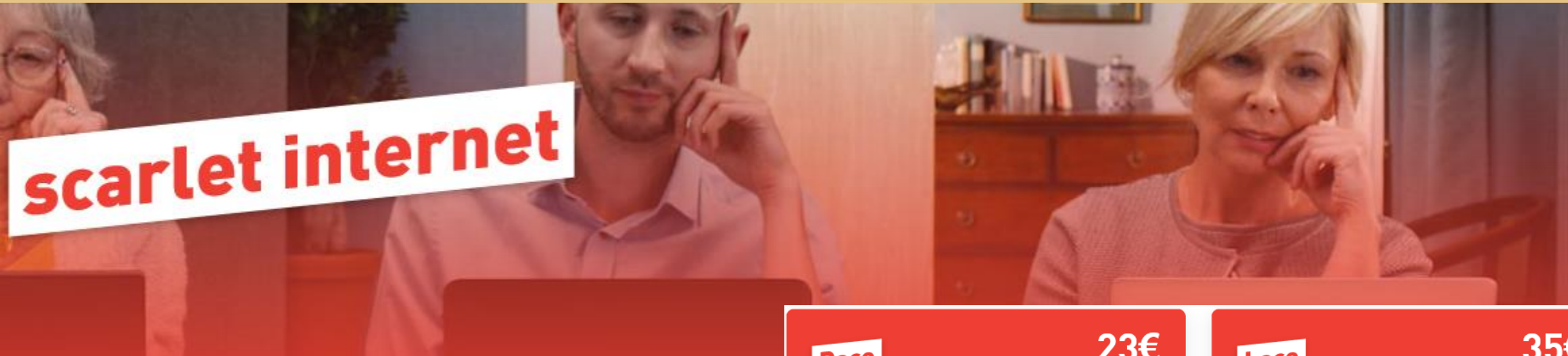
	S	M	L	XL Unlimited
<b>Standalone price:</b>	 <p><b>1.5 GB</b> Unlt. sms 100 min. + fix</p>	 <p><b>5 GB</b> Unlt. sms Unlt. min</p>	 <p><b>7 GB</b> Unlt. sms Unlt. min</p>	 <p><b>Unlt. data *</b> Unlt. sms Unlt. min + 600 min intl.</p>
		+ Unlimited Mobile data for your favourite App		
				
	€ 13	€ 23	€ 32	€ 49
<b>Multi-Mobile:</b>	€ 13	€ 20	€ 29	€ 46
<b>Mobile in pack:</b>	€ 13	€ 20	€ 29	€ 46
	<p><b>S</b></p> <p><b>1.5 GB</b> Unlt. sms 100 min. + unlt. fix</p>	<p><b>M</b></p> <p><b>5 GB</b> Unlt. sms Unlt. min</p>	<p><b>L</b></p> <p><b>10 GB</b> Unlt. sms Unlt. min</p>	<p><b>XL Unlimited</b></p> <p><b>Unlimited data *</b> Unlt. sms Unlt. min + 600 min intl.</p>
		+ Unlimited Mobile data for your favourite App		
				
	€ 13	€ 20	€ 29	€ 46

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



# Scarlet Fixed portfolio

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



**€39**  
/maand

30 populairste zenders

Onbeperkt<sup>1</sup> & snel surfen

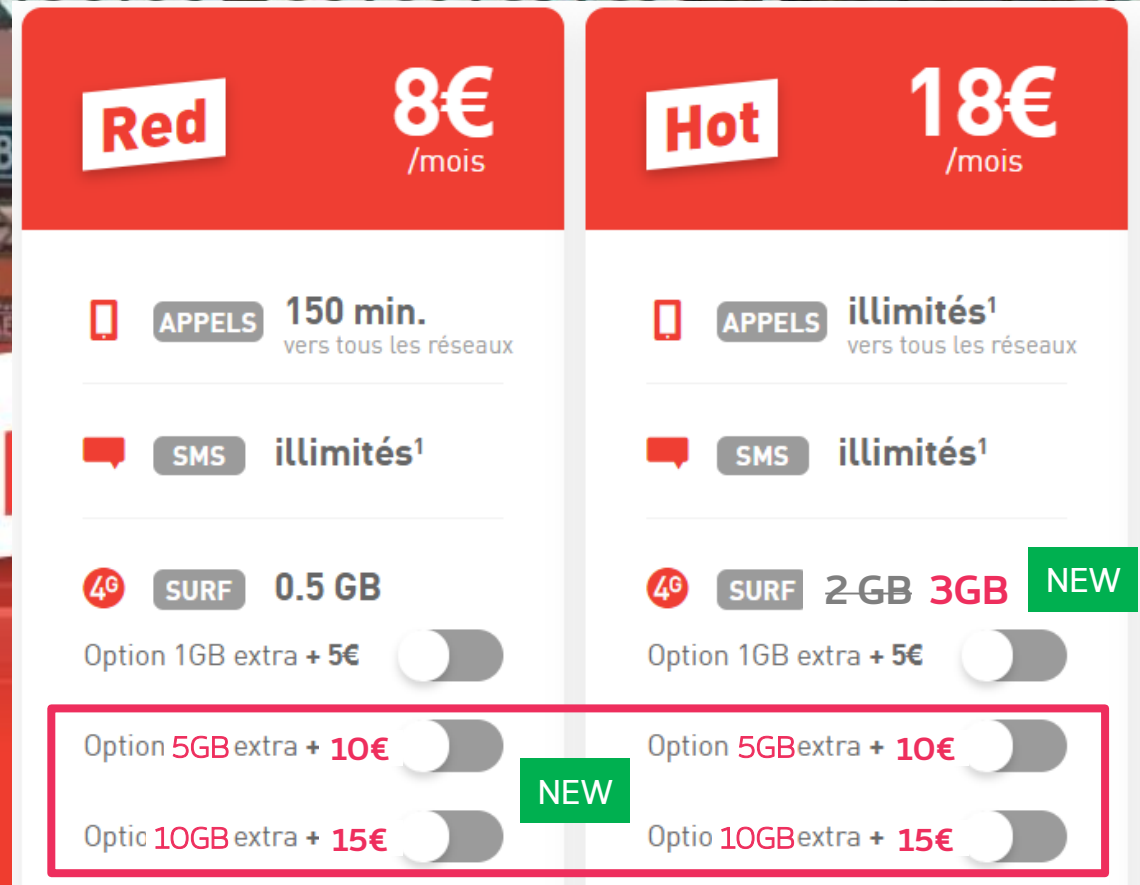
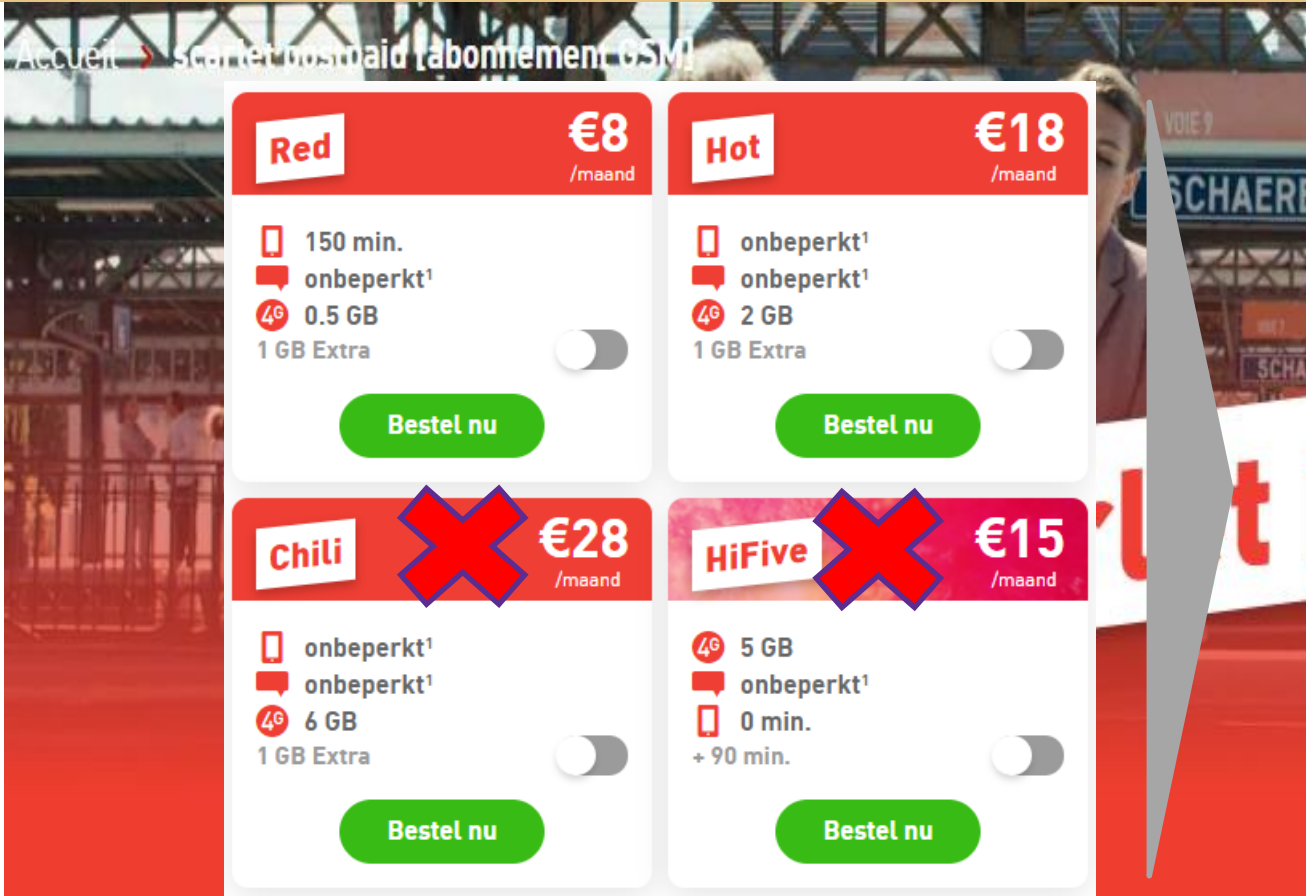
Onbeperkt<sup>2</sup> vast bellen 's avonds en in het WE

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

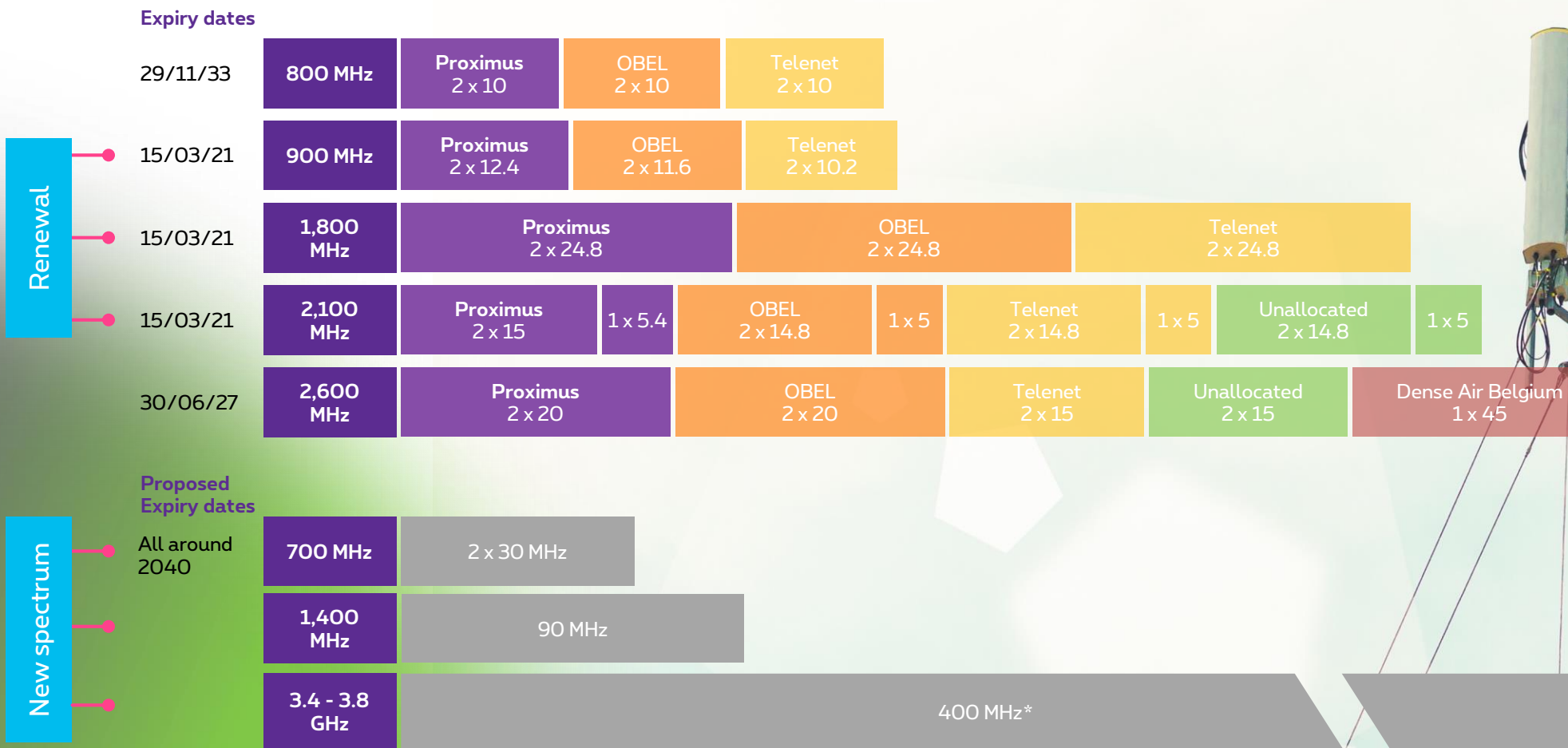


# Scarlet Mobile portfolio

New simplified offers as from 28<sup>th</sup> February 2019



## 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
1,400 MHz	90 MHz	35 MHz duplex	-	-
1,800 MHz	75 MHz duplex	30 MHz duplex	15 MHz duplex	15 MHz duplex
2,100 MHz	60 MHz duplex	25 MHz duplex	10 MHz duplex	10 MHz duplex
3,600 MHz	400 MHz	100 MHz	-	-

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

## Coverage obligations

Details of coverage obligations as published by BIPT

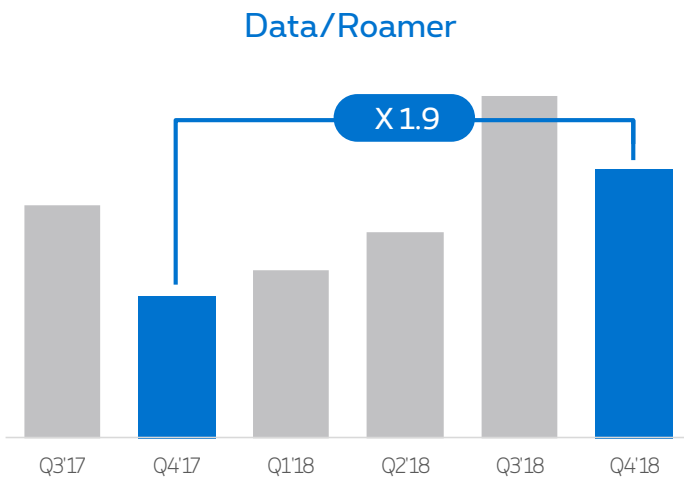
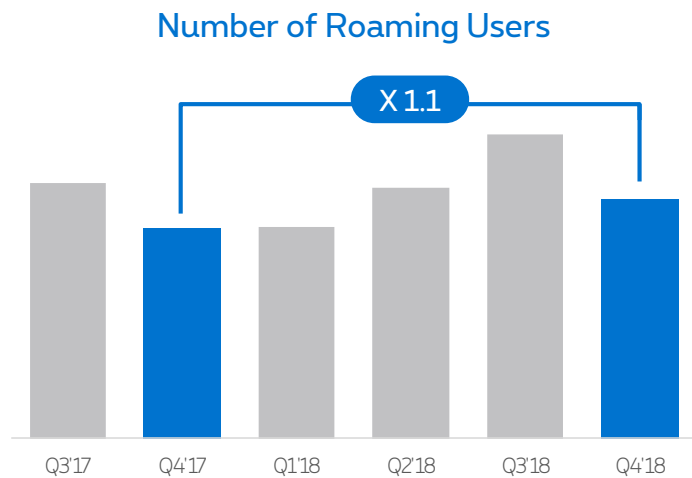
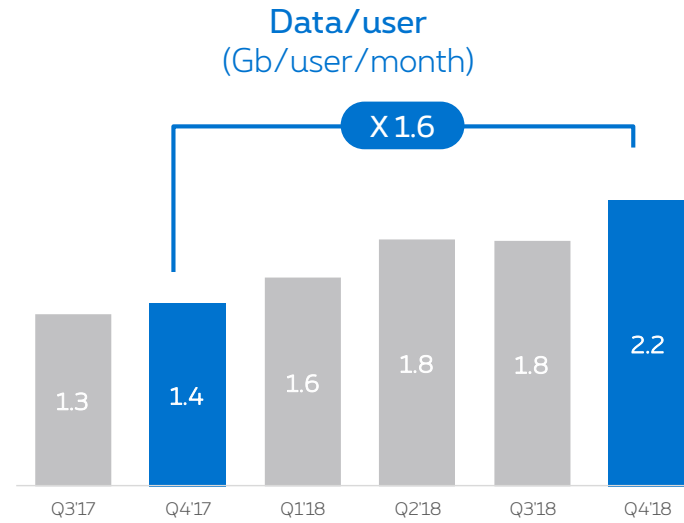
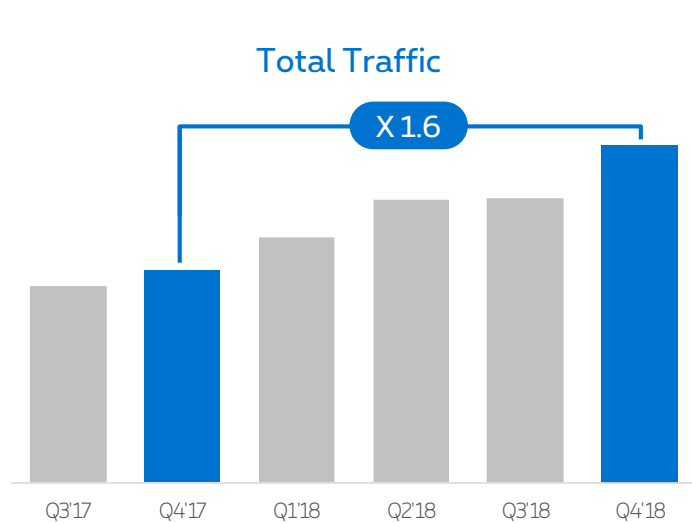
Frequency band	Obligations for existing operators	Obligation for new entrant
700 MHz	<ul style="list-style-type: none"> <li>- 70% population after 1 year</li> <li>- 99.5% population after 2 years</li> <li>- 99.8% population after 6 years</li> <li>- Speed requirement varies between 3 and 6 Mbps, according to Spectrum ownership</li> <li>- Coverage of main train lines within 2 years</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 varies between 3 and 6 Mbps, according to Spectrum ownership</li> <li>- Coverage of main train lines within 9 years</li> </ul>
900 MHz (Renewal) 1,800 MHz (Renewal) 2,100 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>
1,400 MHz	No coverage obligation	No coverage obligation
3,600 MHz	No coverage obligation	No coverage obligation

# Mobile Data Traffic

Usage for National Data and Roaming Data continued to grow

National Data Usage

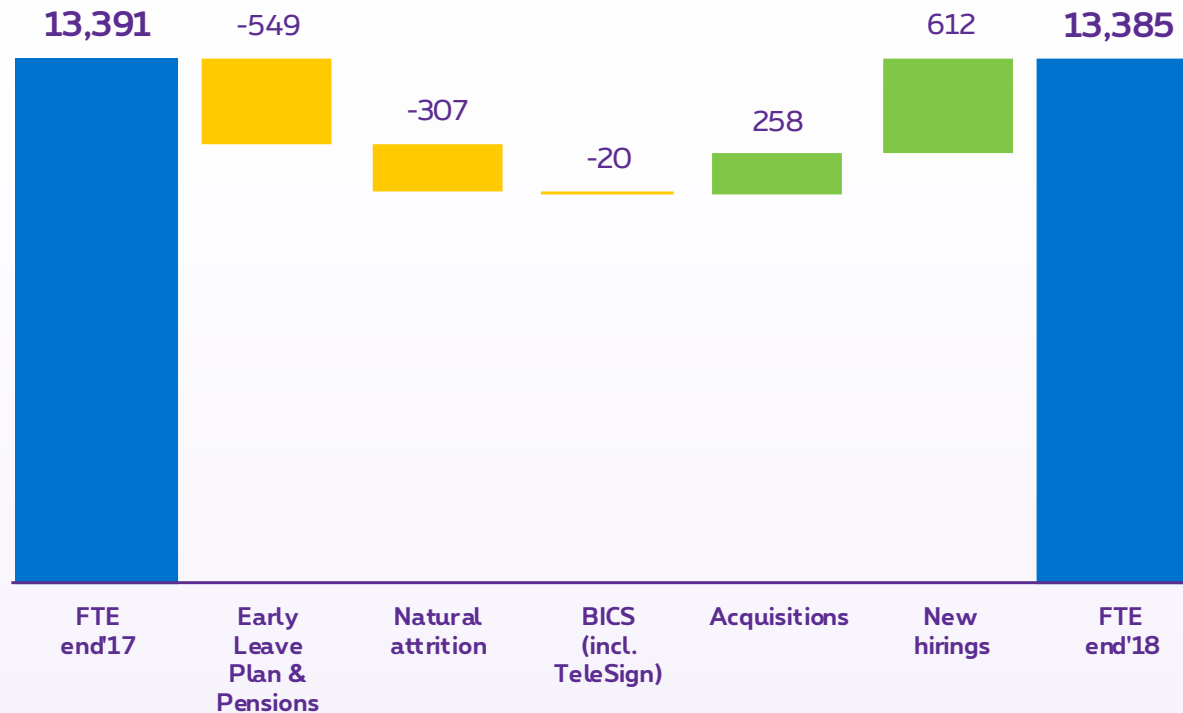
Roaming Data Usage  
(EU + non EU)



Total National Traffic  
**x1.6** YoY

Total Roaming Traffic  
**x1.6** YoY

## FTE evolution



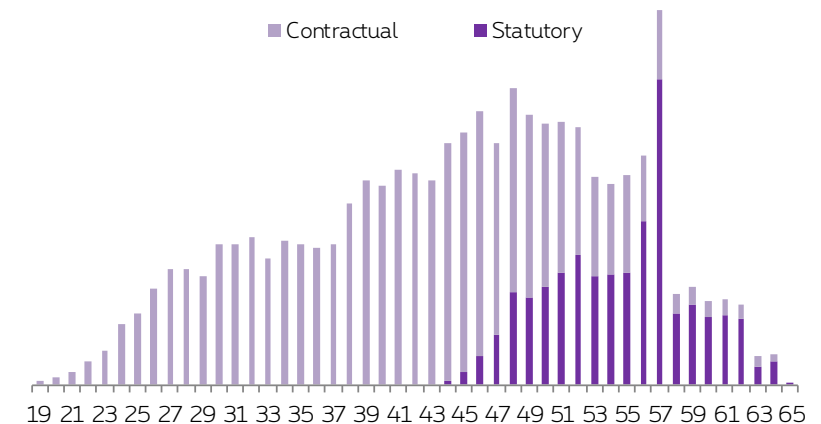
Early Leave Plan & natural retirements leading to ~2,750 FTEs to leave Proximus over 2016-2020

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

End Q4'18, civil servants @ 26% of Domestic headcount

## 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
Belgian state	180,887,569	53.51%	56.05%	55.91%	180,887,569	180,887,569
Proximus own shares	15,321,318	4.53%		0.25%		820,036
Free-float	141,816,248	41.95%	43.95%	43.83%	141,816,248	141,816,248
<b>Total</b>	<b>338,025,135</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>322,703,817</b>	<b>323,523,853</b>

~€ 7.6 Bn  
Market Capitalisation\*

~ 6.4%  
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.

\* 31/12/18

## 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%.

# For further information



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Investor Relations Manager



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