

A thick green line graph with a fluctuating upward trend, overlaid on the background image of a city skyline. The background includes a tall, modern glass skyscraper on the left and a cable-stayed bridge in the center.

Connect Activate Grow



**Q1 2024
results**

24 April 2024

kpn. The network of the Netherlands

Safe harbor

Alternative performance measures and management estimates

This financial report contains a number of alternative performance measures (non-GAAP figures) to provide readers with additional financial information that is regularly reviewed by management, such as EBITDA and Free Cash Flow ('FCF'). These non-GAAP figures should not be viewed as a substitute for KPN's GAAP figures and are not uniformly defined by all companies including KPN's peers. Numerical reconciliations are included in KPN's quarterly factsheets and in the Integrated Annual Report 2023. KPN's management considers these non-GAAP figures, combined with GAAP performance measures and in conjunction with each other, most appropriate to measure the performance of the Group and its segments. The non-GAAP figures are used by management for planning, reporting (internal and external) and incentive purposes. KPN's main alternative performance measures are listed below. The figures shown in this financial report are based on continuing operations and were rounded in accordance with standard business principles. As a result, totals indicated may not be equal to the precise sum of the individual figures.

Financial information is based on KPN's interpretation of IFRS as adopted by the European Union as disclosed in the Integrated Annual Report 2023 and do not take into account the impact of future IFRS standards or interpretations. Note that certain definitions used by KPN in this report deviate from the literal definition thereof and should not be considered in isolation or as a substitute for analyses of the results as reported under IFRS as adopted by the European Union. KPN defines revenues as the total of revenues and other income. Adjusted revenues are derived from revenues (including other income) and are adjusted for the impact of incidentals. KPN defines EBITDA as operating result before depreciation (including impairments) of PP&E and amortization (including impairments) of intangible assets. Adjusted EBITDA after leases ('adjusted EBITDA AL') are derived from EBITDA and are adjusted for the impact of restructuring costs and incidentals ('adjusted') and for lease costs, including depreciation of right-of-use assets and interest on lease liabilities ('after leases' or 'AL'). KPN defines Gross Debt as the nominal value of interest-bearing financial liabilities representing the net repayment obligations in Euro, excluding derivatives, related collateral, and leases, taking into account 50% of the nominal value of the hybrid capital instruments. In its Leverage Ratio, KPN defines Net Debt as Gross Debt less net cash and short-term investments, divided by 12 month rolling adjusted EBITDA AL excluding major changes in the composition of the Group (acquisitions and disposals). The Lease adjusted leverage ratio is calculated as Net Debt including lease liabilities divided by 12 month rolling adjusted EBITDA AL excluding major changes in the composition of the Group (acquisitions and disposals). Operational Free Cash Flow is defined as adjusted EBITDA AL minus capital expenditures ('Capex') being expenditures on PP&E and software, excluding M&A. Free Cash Flow ('FCF') is defined as cash flow from continuing operating activities plus proceeds from real estate, minus Capex. Return on capital employed ('ROCE') is calculated by the net operating profit less adjustments for taxes ('NOPLAT') divided by capital employed, on a 4-quarter rolling basis. Net operating profit is the adjusted EBITA (excluding incidentals and amortization of other intangibles and including restructuring costs). KPN defines capital employed as the carrying amount of operating assets and liabilities, which excludes goodwill and the other intangibles.

All market share information in this financial report is based on management estimates based on externally available information, unless indicated otherwise. For a full overview on KPN's non-financial information, reference is made to KPN's quarterly factsheets available on ir.kpn.com.

Forward-looking statements

Certain statements contained in this financial report constitute forward-looking statements. These statements may include, without limitation, statements concerning future results of operations, the impact of regulatory initiatives on KPN's operations, KPN's and its joint ventures' share of new and existing markets, general industry and macro-economic trends and KPN's performance relative thereto and statements preceded by, followed by or including the words "believes", "expects", "anticipates", "will", "may", "could", "should", "intends", "estimate", "plan", "goal", "target", "aim" or similar expressions. 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 KPN's control that could cause actual results to differ materially from such statements. A number of these factors are described (not exhaustively) in the Integrated Annual Report 2023. All forward-looking statements and ambitions stated in this financial report that refer to a growth or decline, refer to such growth or decline relative to the situation per 31 December 2023 unless stated otherwise.

Highlights: KPN delivers solid start to the year

- ▶▶ **Continued Group service revenue growth** +3.6% y-on-y, driven by B2C and B2B
- ▶▶ **Ongoing positive net adds** in B2C postpaid +30k and broadband +13k (incl. 8k M&A)
- ▶▶ **Expanded fiber footprint** with +130k HP in Q1 2024 (+159k incl. Glaspoort)
- ▶▶ **Adj. EBITDA AL of € 605m** (+3.6% y-on-y), **FCF** impacted by intra-year phasing
- ▶▶ ACM unconditionally **approved Youfone acquisition**
- ▶▶ **FY 2024 outlook raised** to ~€ 2,500m adj. EBITDA AL and >€ 890m FCF
- ▶▶ **On track to reach mid-term ambitions**, incl. cumulative shareholder distributions

Strategy 2024-2027: a mission to Connect, Activate & Grow

Purpose

We go all out to connect everyone in the Netherlands to a sustainable future

Strategic Missions

Connect

Connect with our customers to deliver on their needs
Earning our customers' loyalty through converged services & solutions that are truly relevant to them

Activate

Activate our best network, platforms, partners, & assets
Delivering the best digital experience to our customers over our world-leading, always-on networks

Grow

Grow KPN by modernizing and simplifying our business
Transforming our operating model with AI-powered automation and developing a future-ready workforce

Ambitions

Satisfied Loyal Customers • Engaged Society & People • Sustainable returns

Financial ambitions
2024-2027

Service revenues **CAGR ~3%** • Adj. EBITDA AL **CAGR ~3%** • Free Cash Flow **CAGR ~7%** • ROCE **growing to 15%**

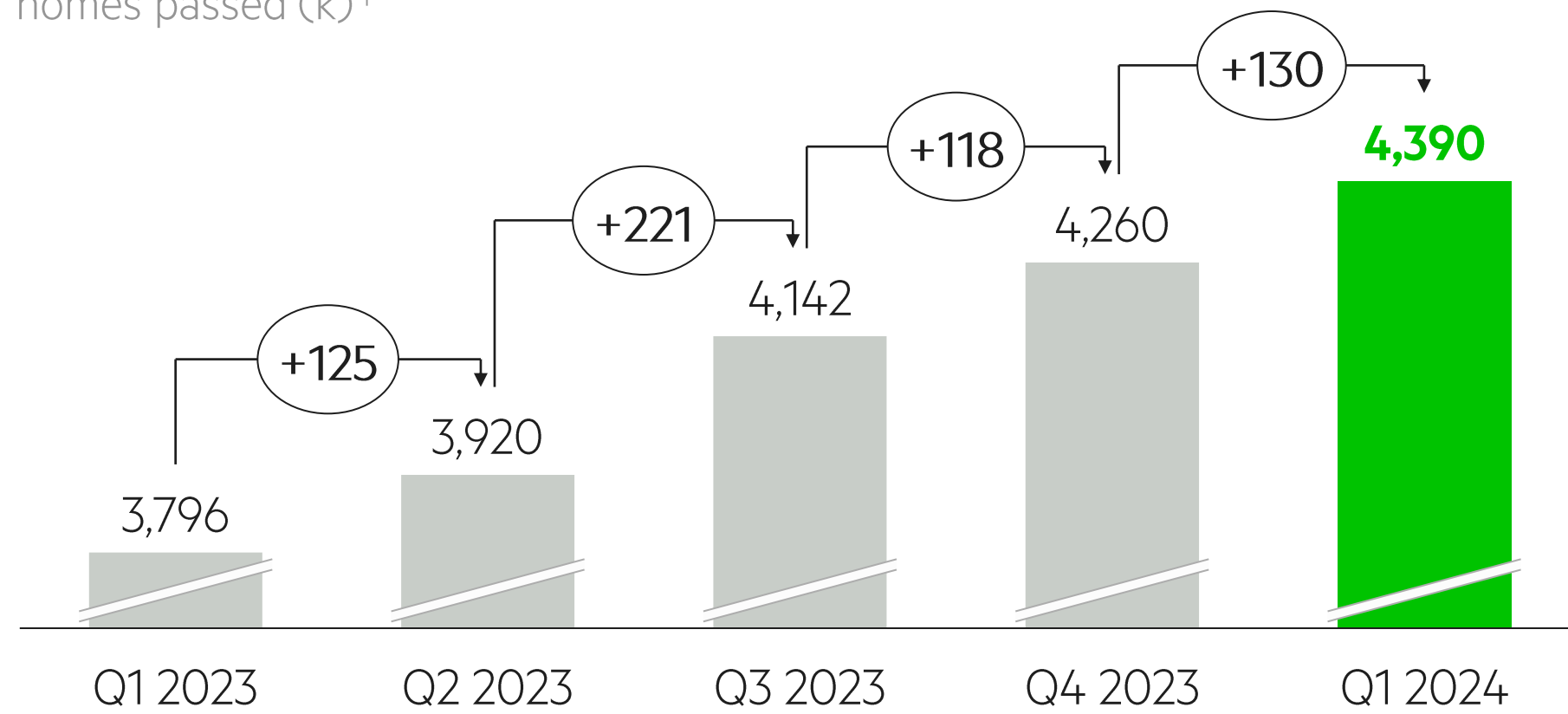


Connect, Activate & Grow

Fiber engine at full speed

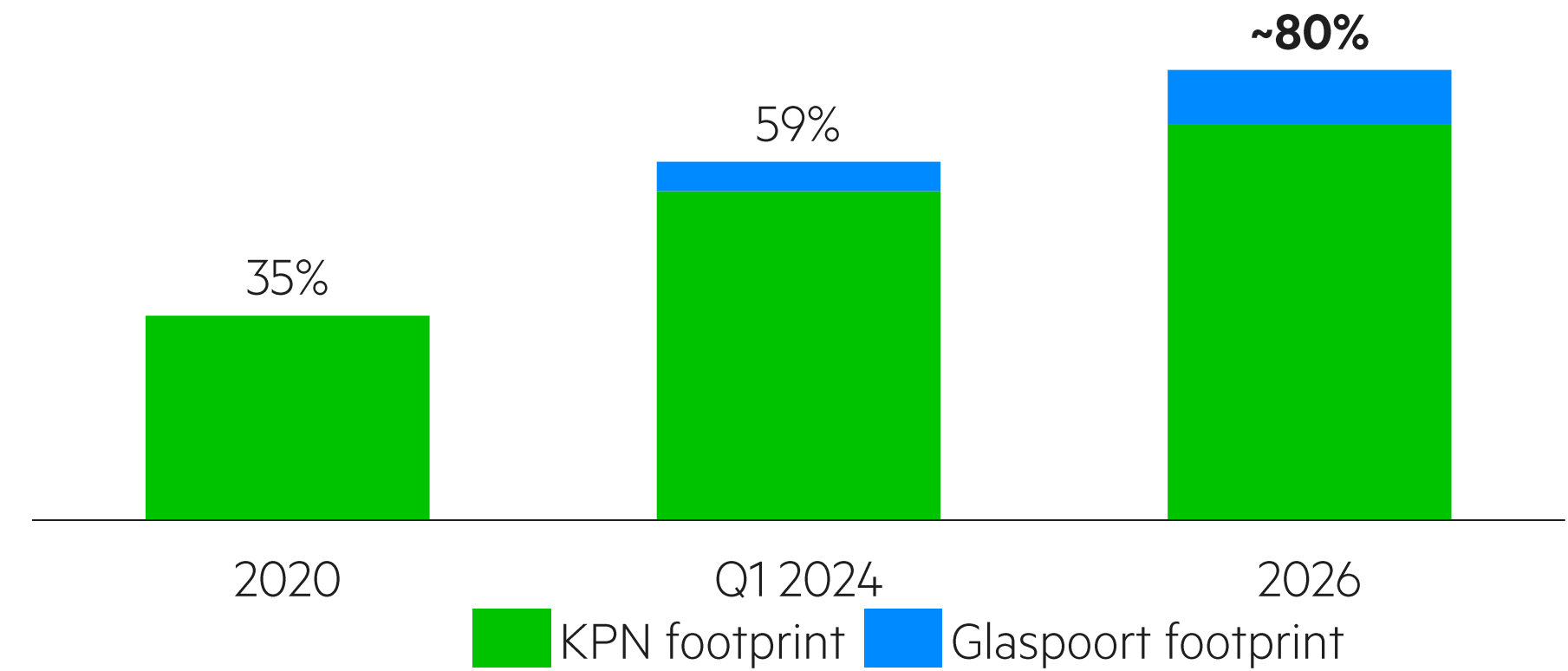
Continuously expanding fiber footprint

homes passed (k)¹

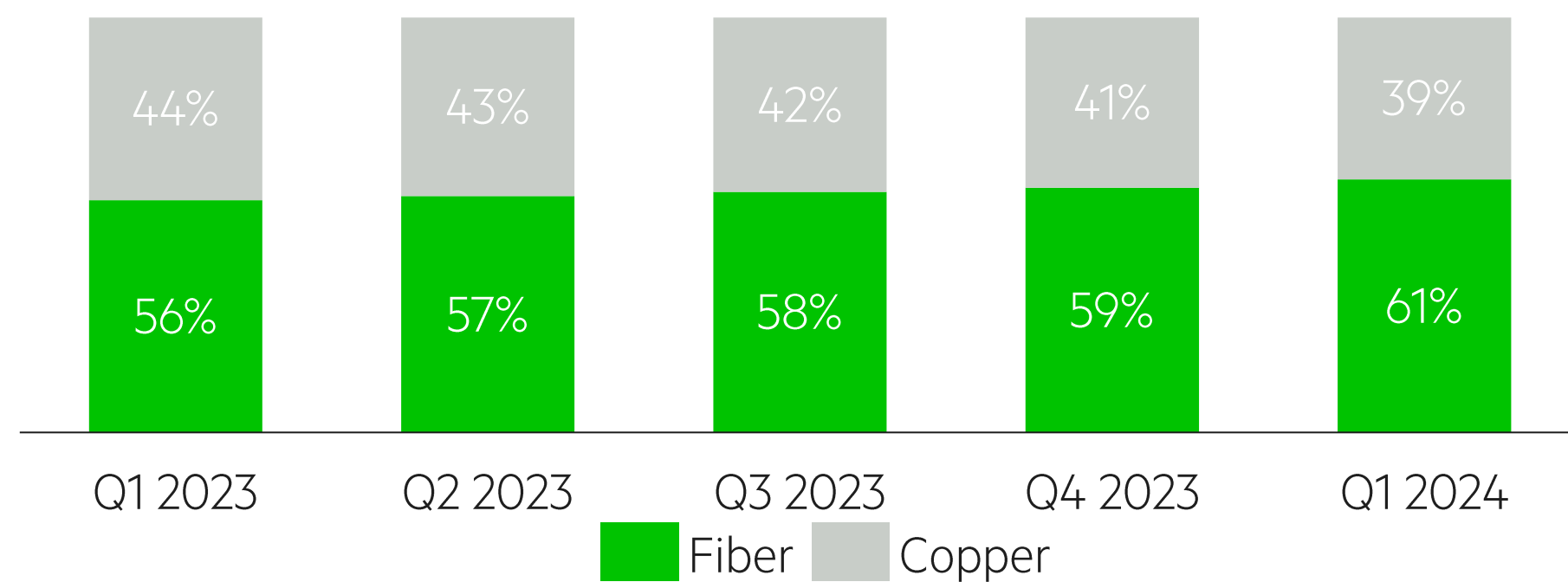


Leading fiber footprint

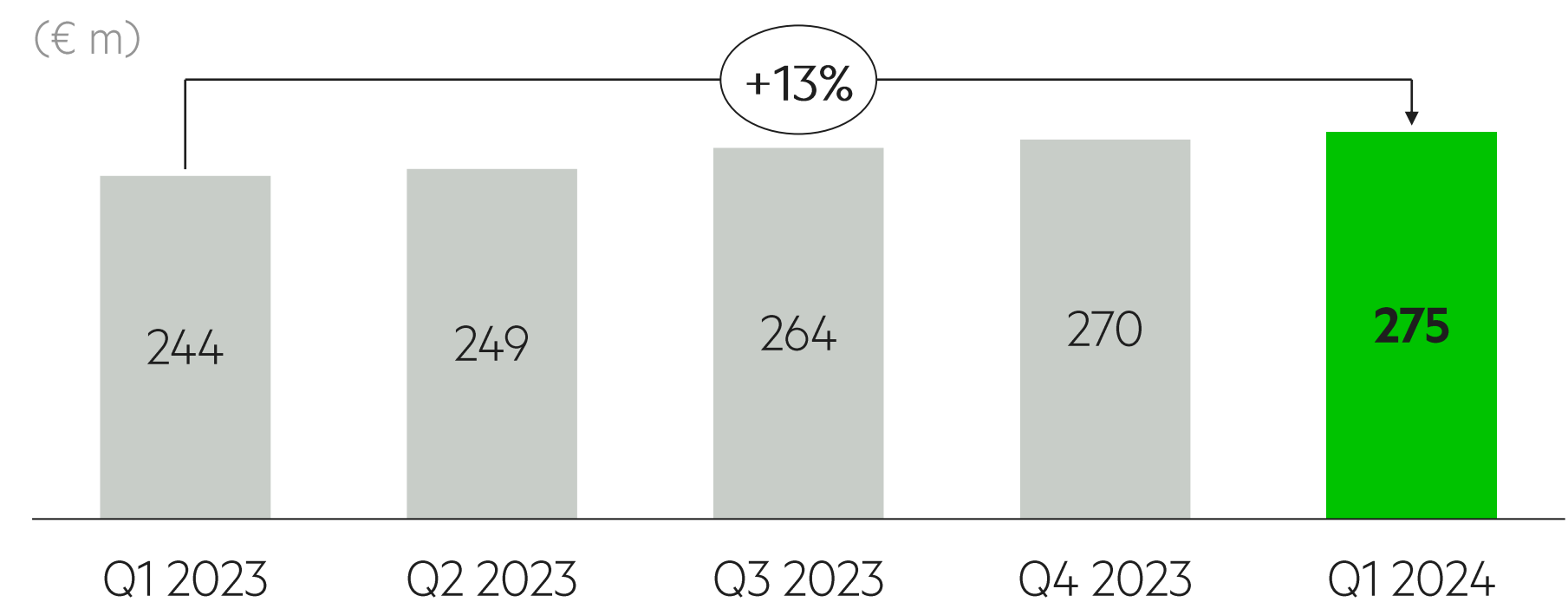
homes passed as a % of Dutch households



B2C broadband customer base mix



B2C fiber broadband service revenue growth

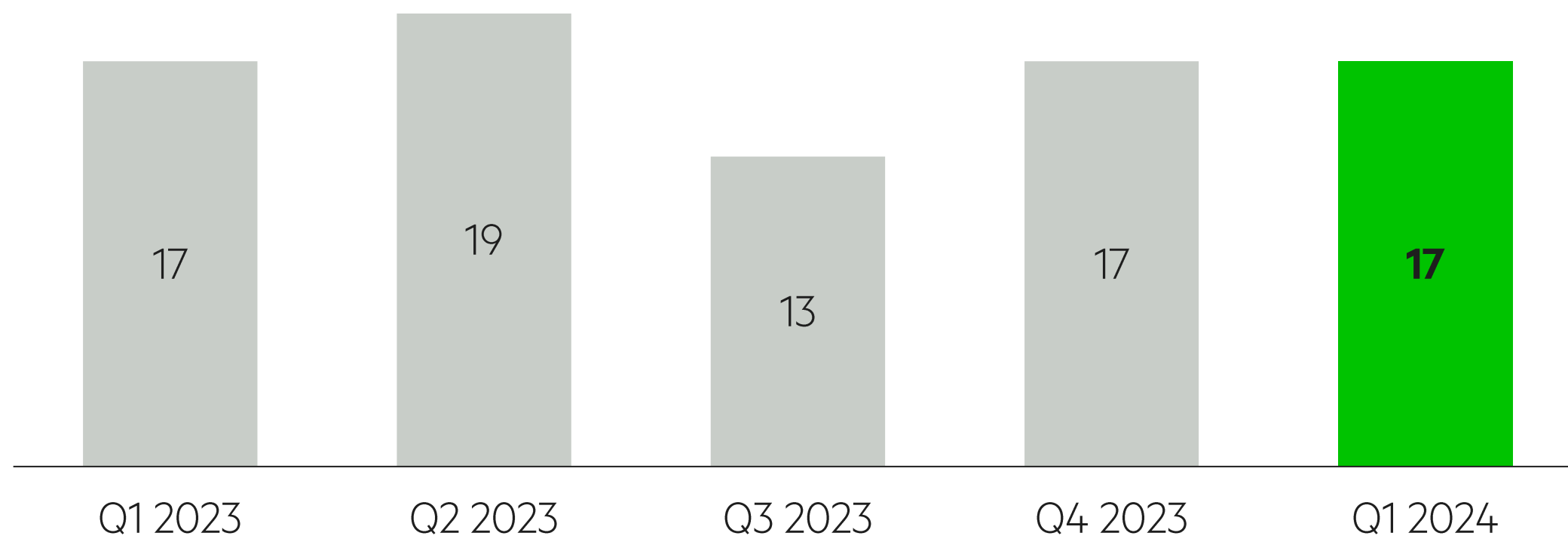


B2C: Service revenues continued to improve, driven by Fixed and Mobile

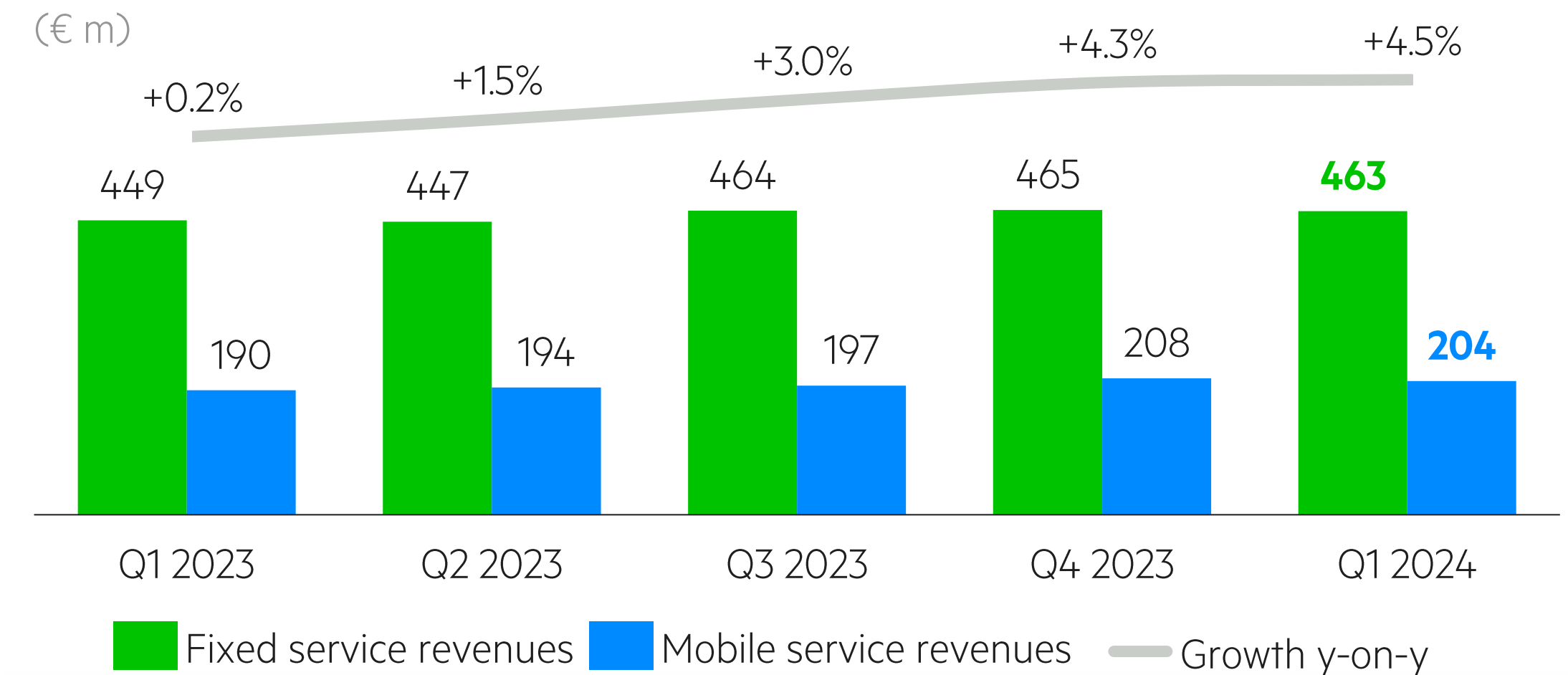
Key take-aways

- Fixed service revenue trend continued to improve, supported by accelerating fiber broadband service revenue growth
- Continued strong growth in mobile service revenues, partly driven by the strong performance of our new speed tiering propositions
- Ongoing positive net adds in postpaid +30k and broadband +13k, of which 8k related to Kabeltex acquisition
- Consumer NPS stable, supported by a series of initiatives aimed at rewarding loyal customers

Leading NPS¹



Service revenue trend

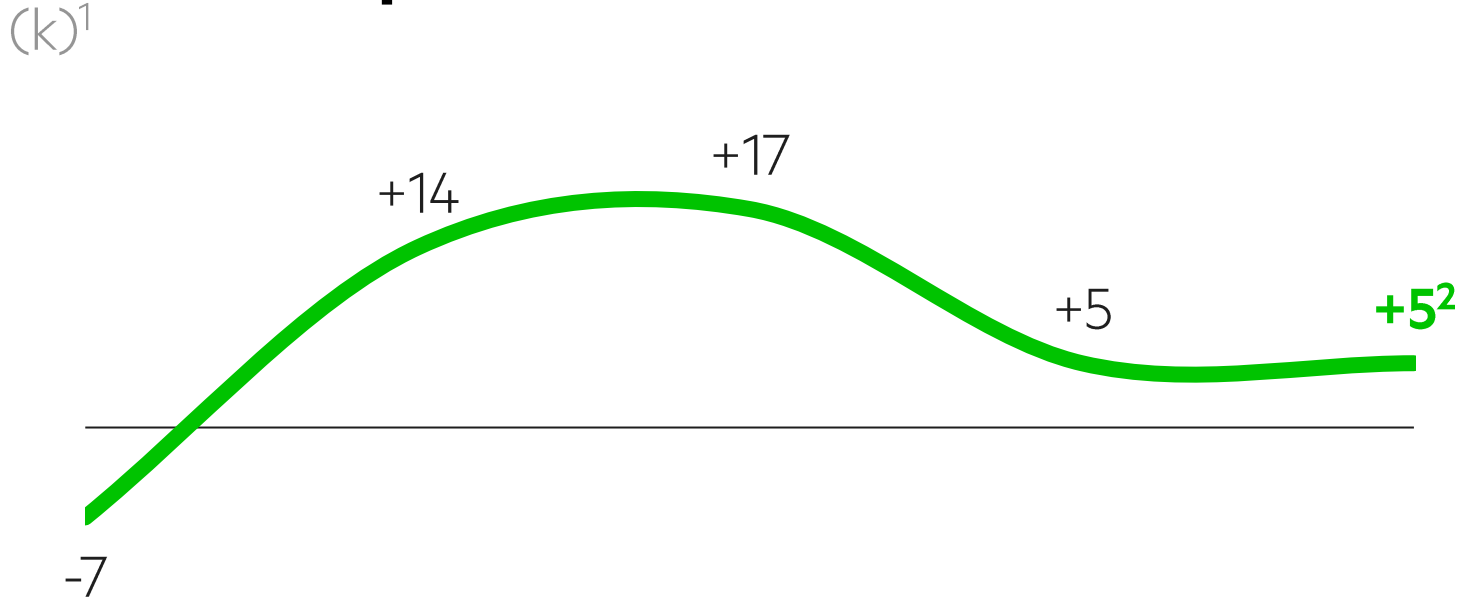


Segment revenues (€ m)

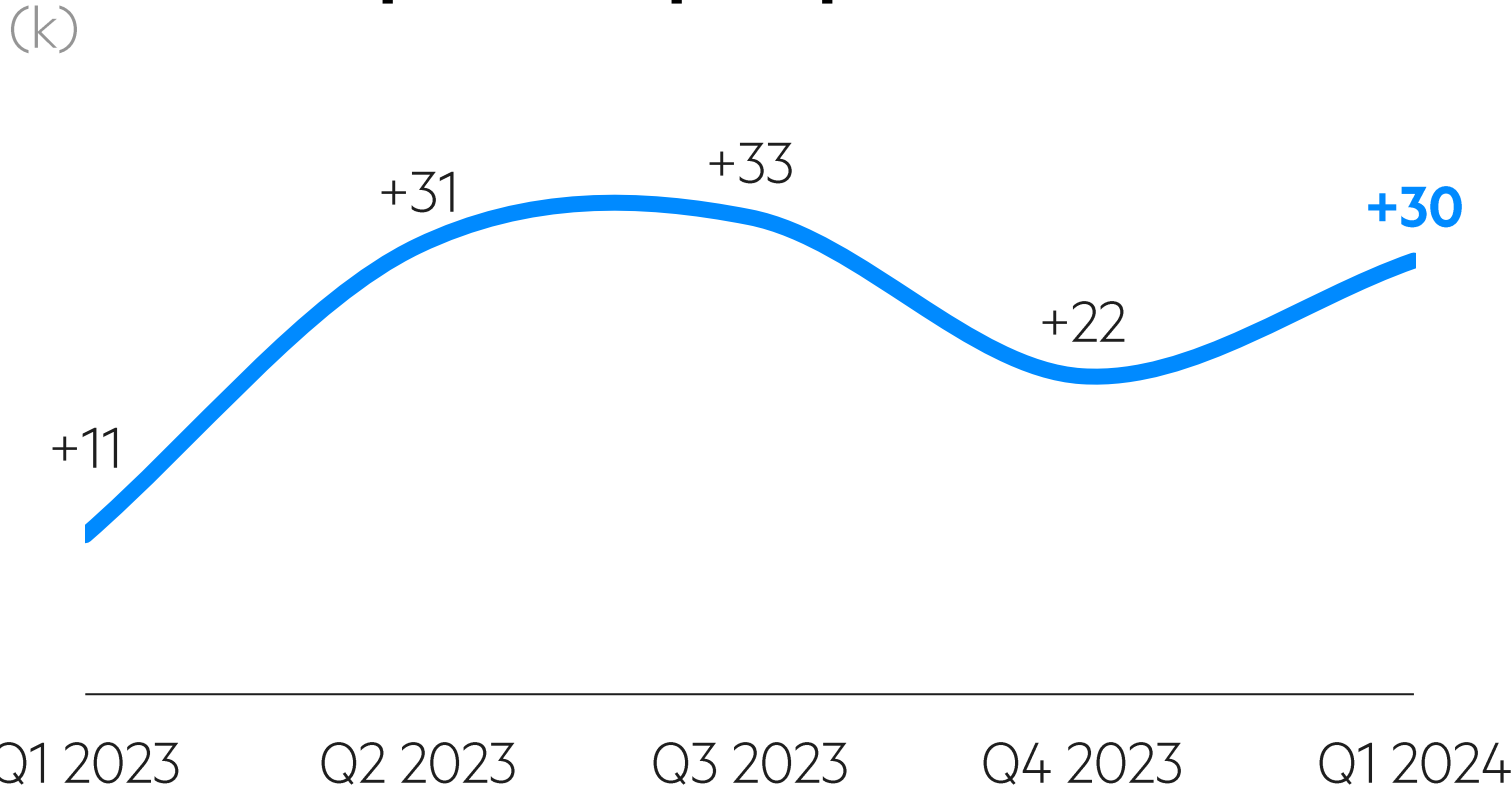
Segment revenues (€ m)	Q1 2023	Q1 2024	Δ y-on-y
Fixed service revenues	449	463	+3.1%
<i>o/w Fiber broadband</i>	244	275	+13%
<i>o/w Copper broadband</i>	191	175	-8.2%
<i>o/w Other Fixed</i>	15	13	-12%
Mobile service revenues	190	204	+7.8%
Adj. Consumer service revenues	639	667	+4.5%
Non-service revenues & Other	70	70	-0.4%
Adj. Consumer revenues	709	737	+4.0%

B2C: Base and ARPU growth drive solid performance

Continued positive broadband net adds



Continued positive postpaid net adds



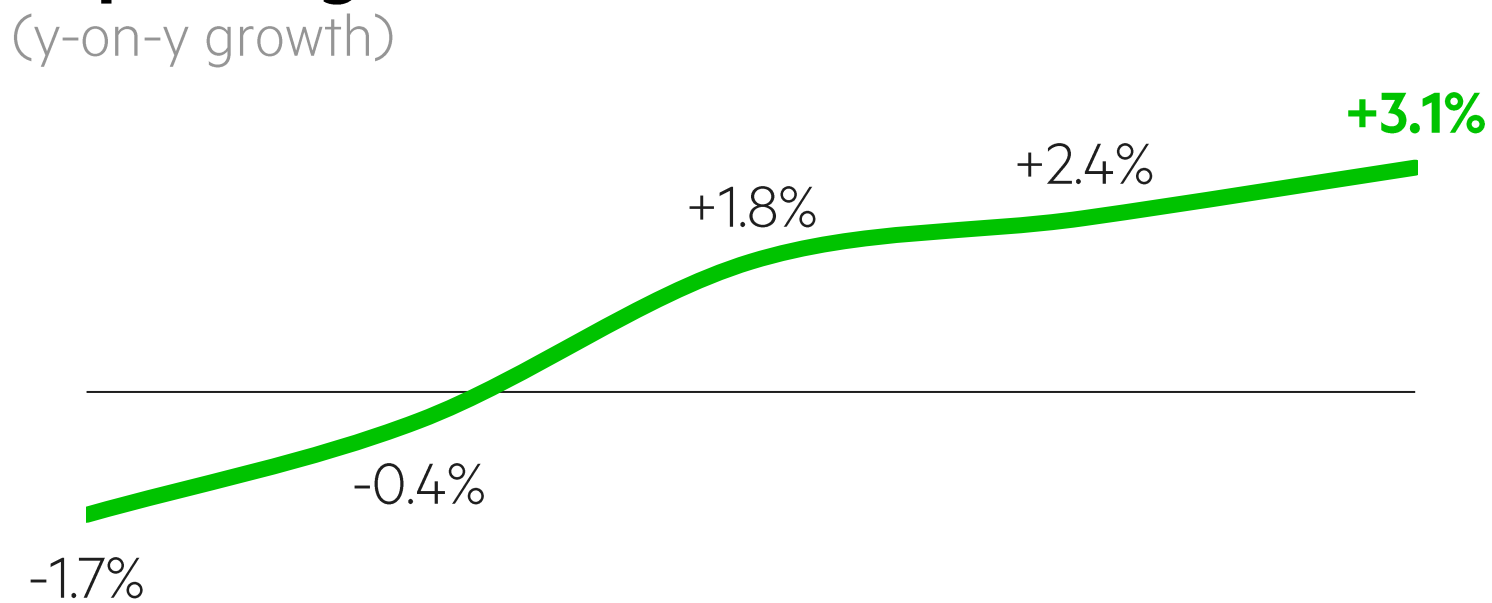
Growing fixed ARPU

€ 54
+2.7% y-on-y

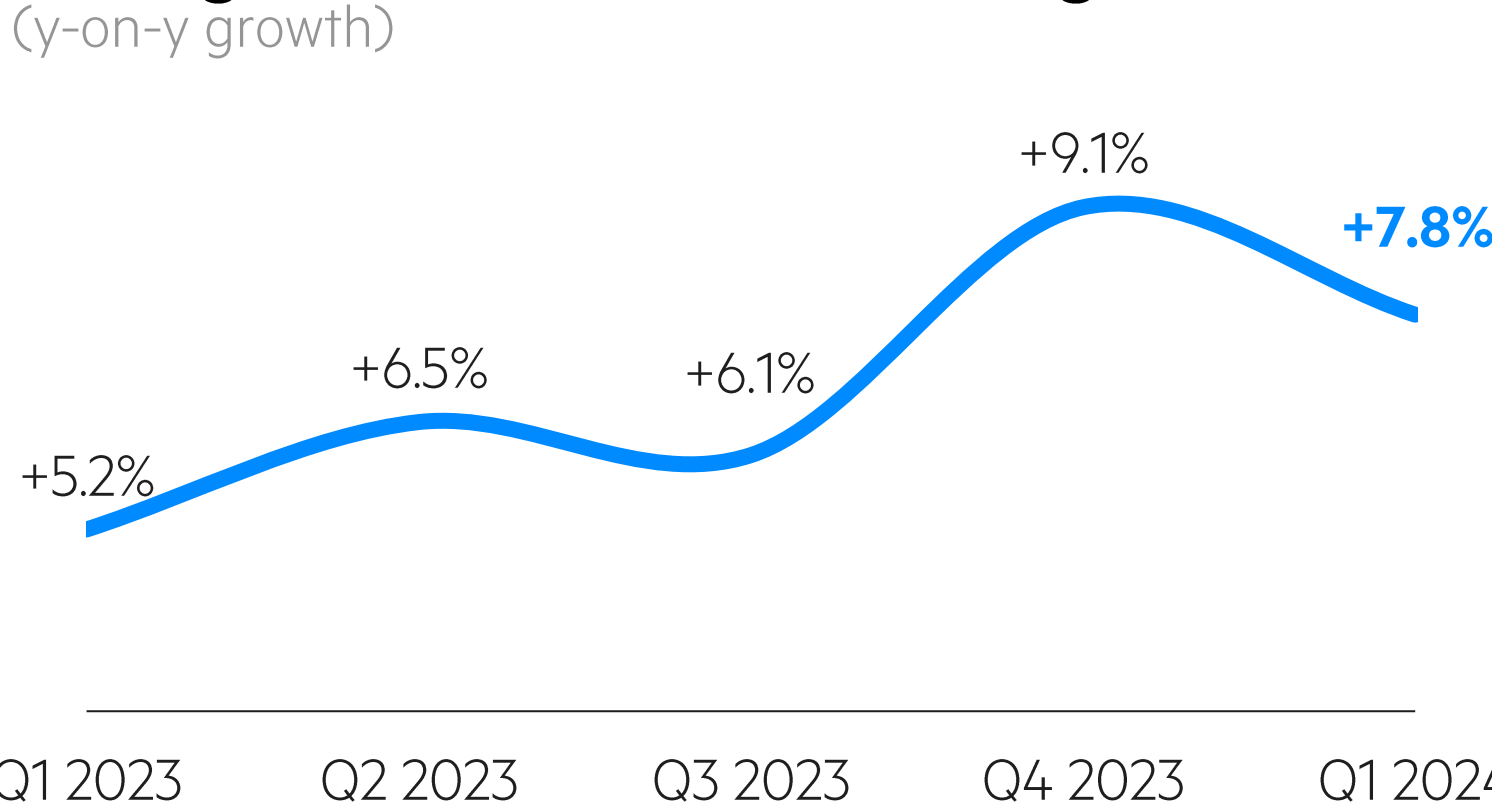
Growing mobile ARPU

€ 17
+5.2% y-on-y

Improving fixed service revenue trend



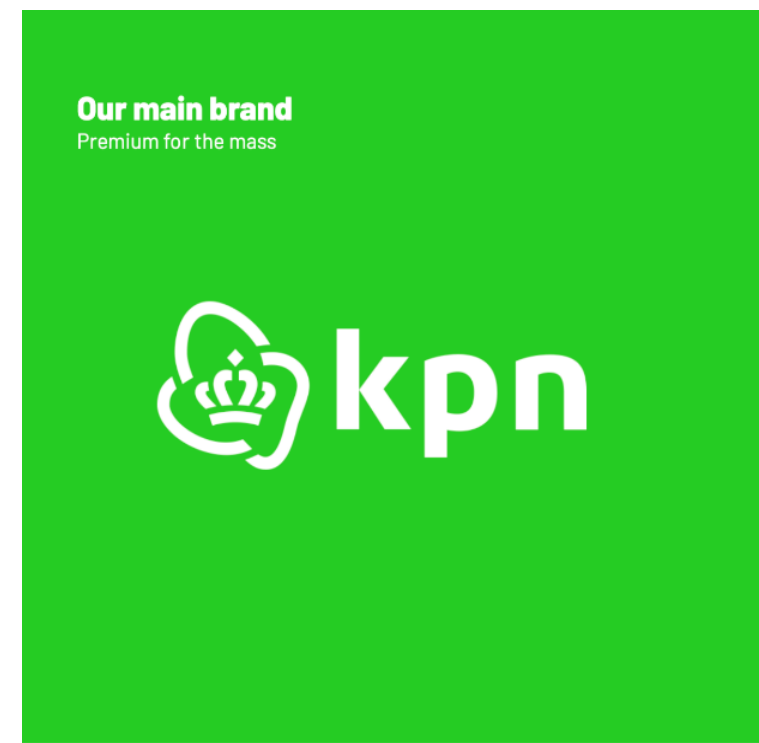
Strong mobile service revenue growth



1. Corrected for migrations to, and new customers of, B2B propositions (6k in Q1 2024, 6k in Q4 2023, 6k in Q3 2023, 4k in Q2 2023, 4k in Q1 2023)
2. Excluding 8k related to Kabeltex

B2C: Youfone acquisition strengthens KPN's commercial proposition

Youfone adds additional flanker brand to KPN's main brand...



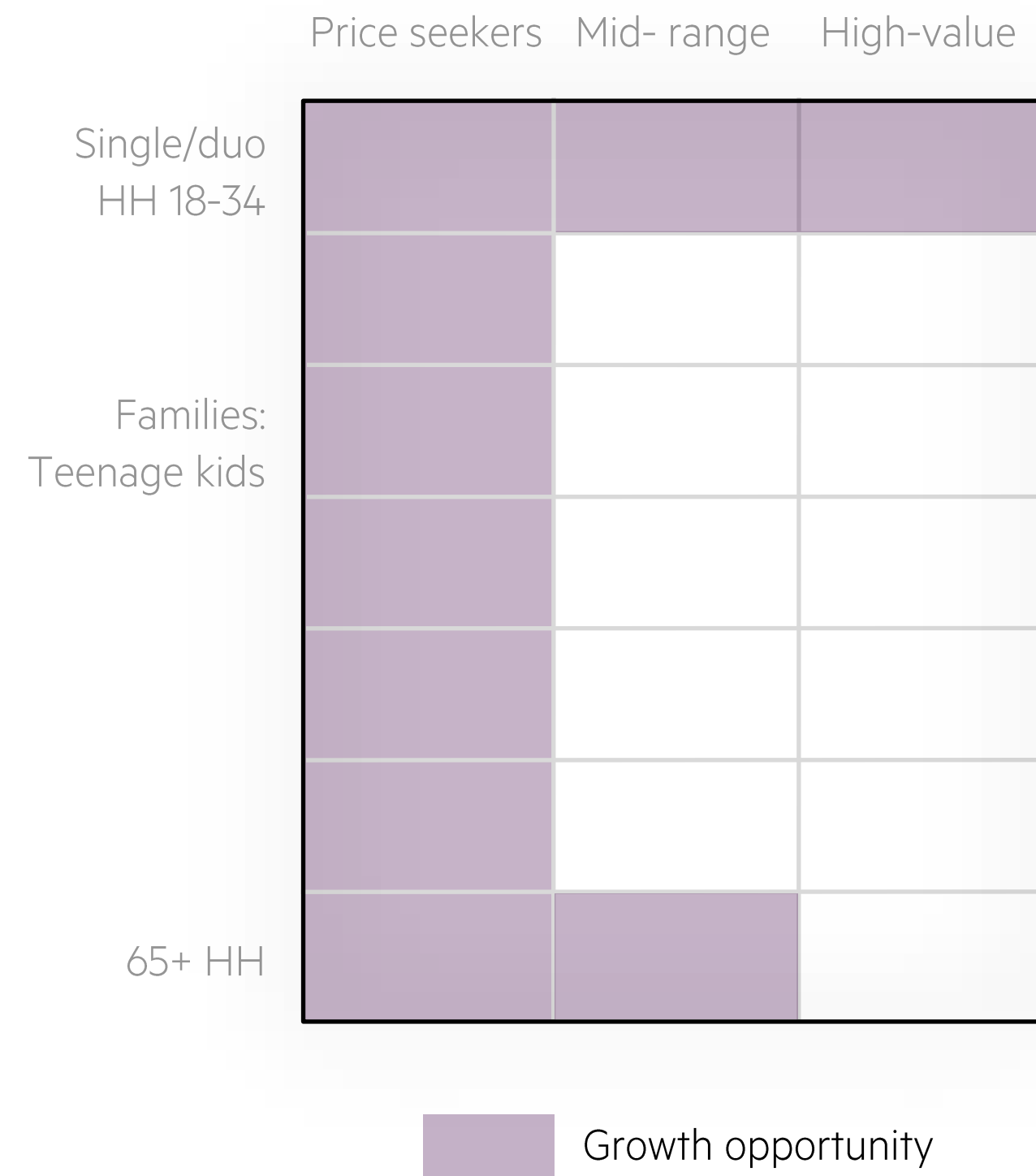
Our flanker brands
Covering 'No frills' segment - price focus



Flanker brands

to target specific market segment e.g. youngsters and price seekers

...strengthening KPN's positioning in youngsters & price seekers segments



Youfone contribution to KPN

~90m FY Revenues¹

of which ~60m already reported at KPN wholesale

~540k Postpaid subscribers (B2C & B2B)

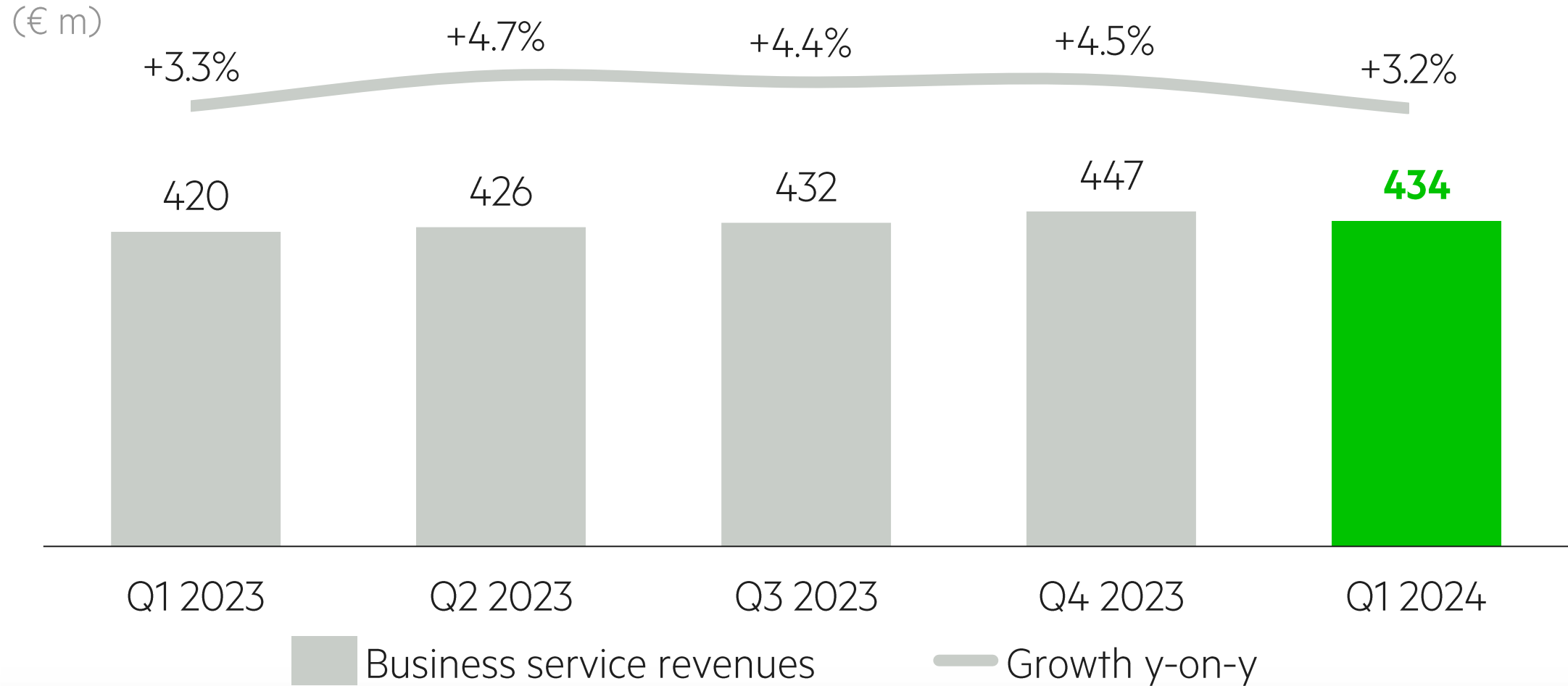
~55k Broadband subscribers

B2B: Sustainable service revenue growth, driven by SME

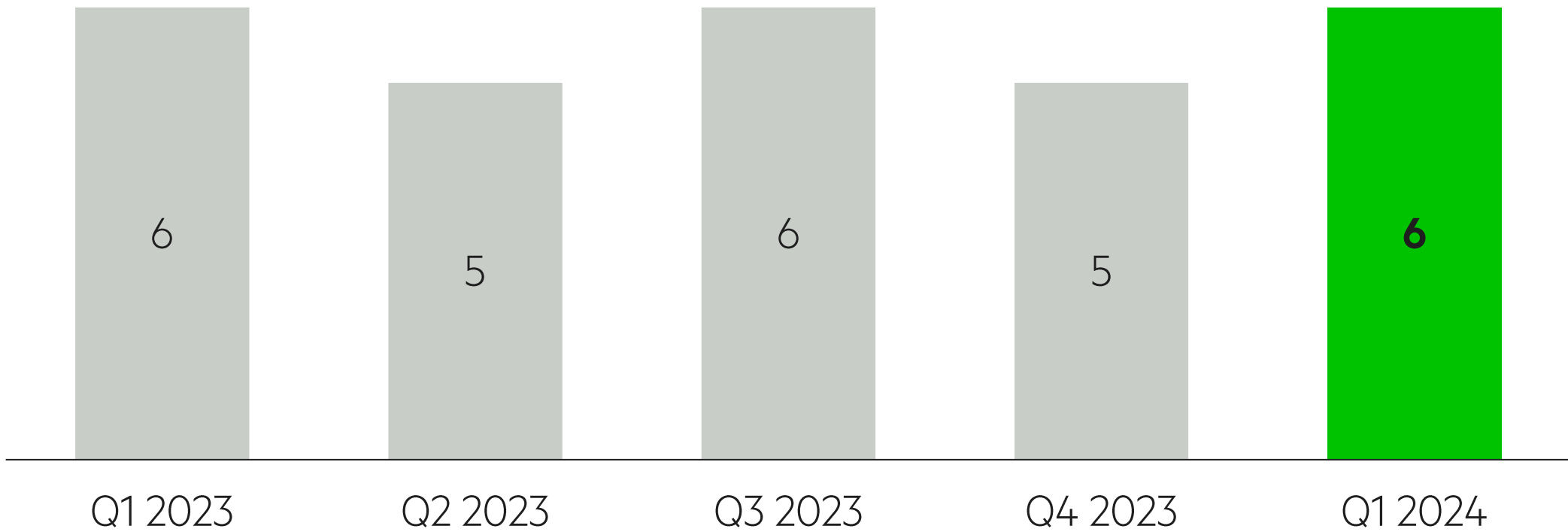
Key take-aways

- Business service revenues grew by 3.2% year-on-year, or +4.4% corrected for divestments of CAM IT and KIS
- Continued strong growth in SME, driven by mobile, broadband and Cloud & Workspace base growth and positive ARPU development
- Underlying LCE service revenue trend stable
- Tailored Solutions service revenues increased due to higher project and service management related revenues
- Business NPS stable y-on-y and leading in Dutch market

Service revenue trend & growth



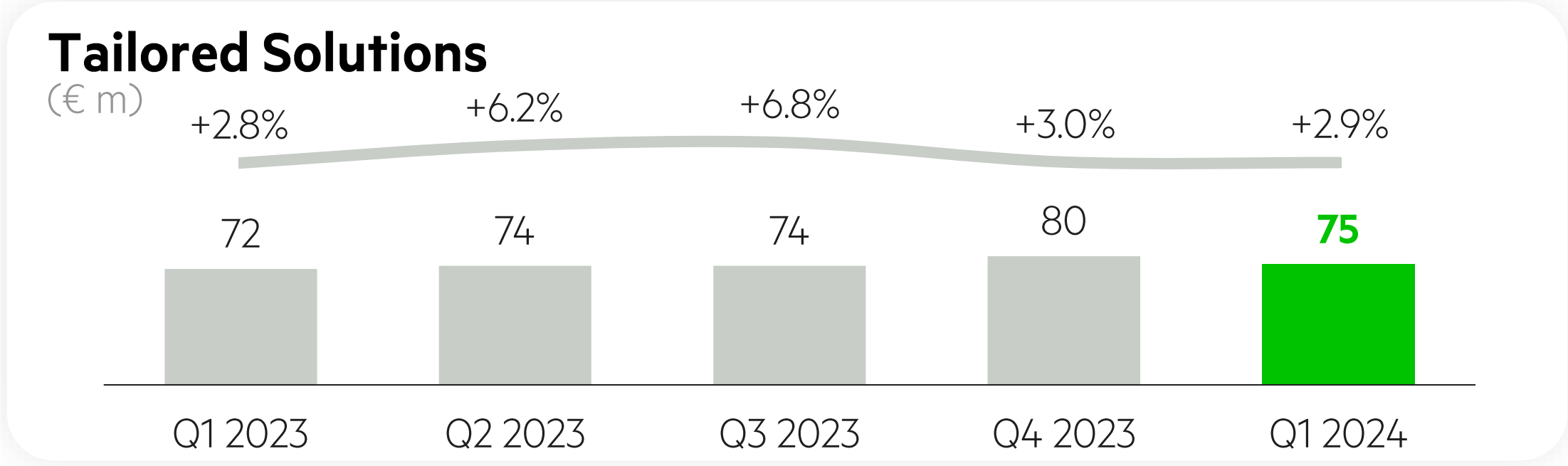
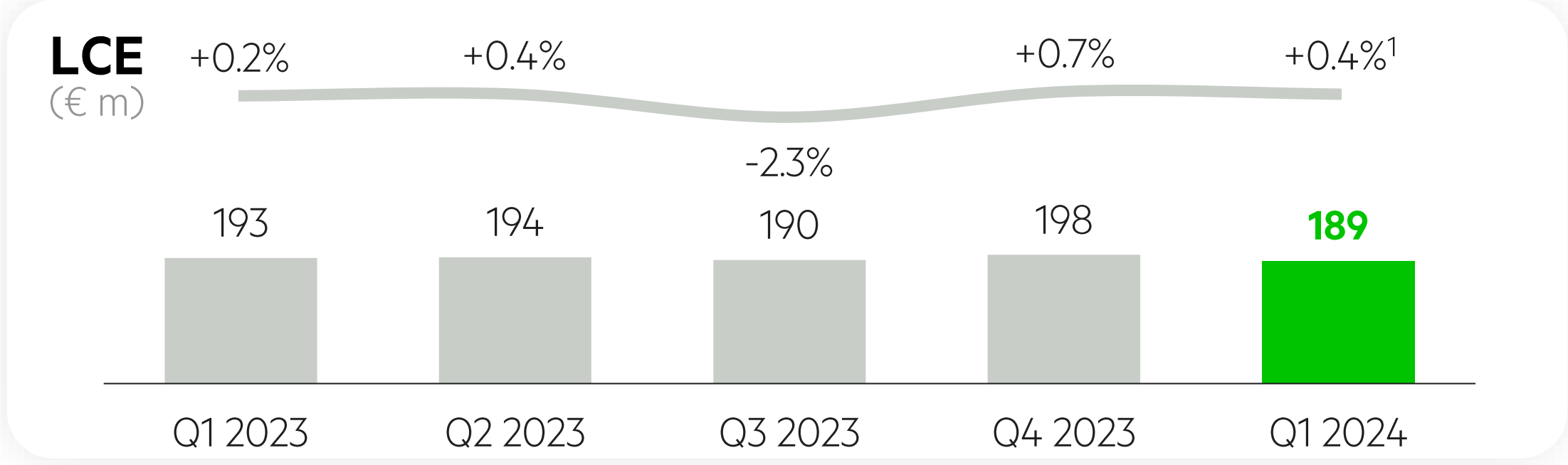
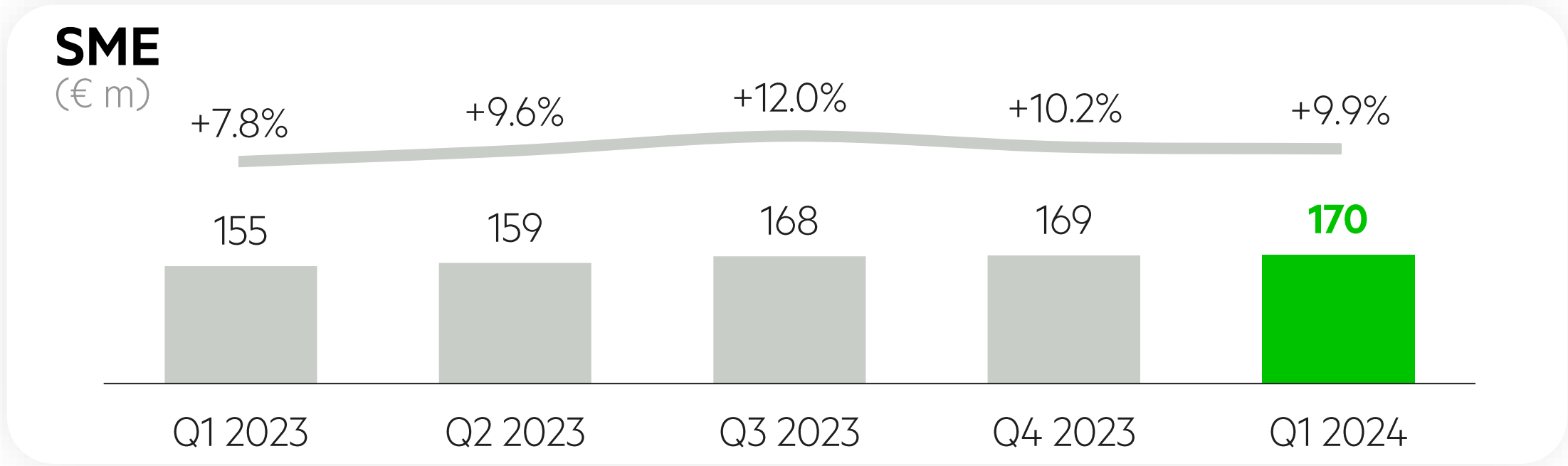
Industry-leading NPS¹



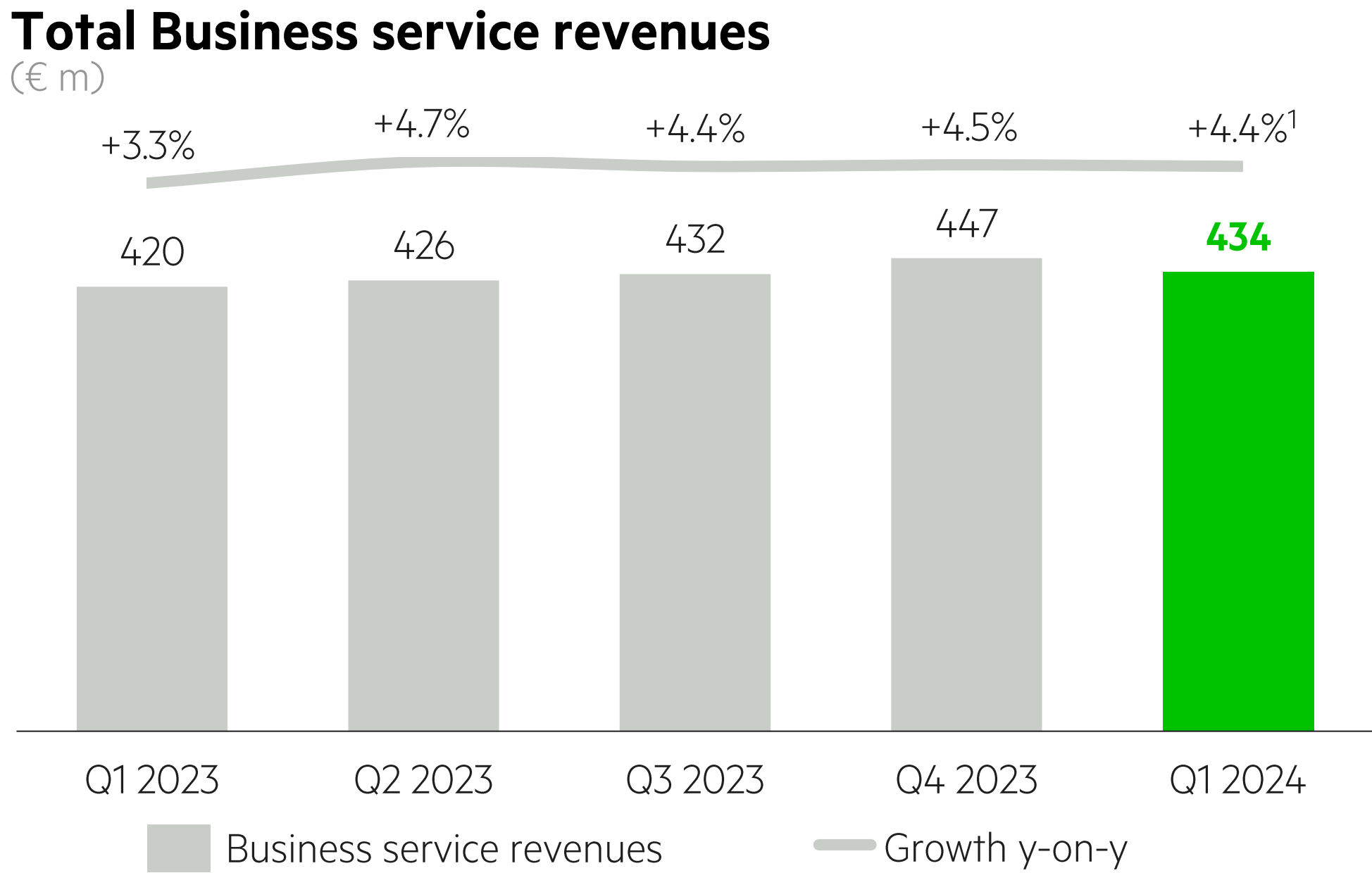
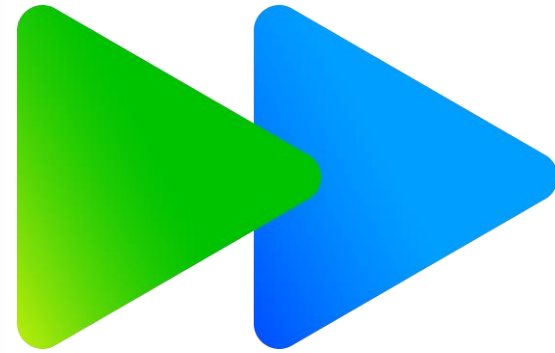
Segment revenues (€ m)	Q1 2023	Q1 2024	Δ y-on-y
SME	155	170	+9.9%
LCE ²	193	189	-2.0%
Tailored Solutions	72	75	+2.9%
Adj. Business service revenues	420	434	+3.2%
Non-service revenues & Other	32	25	-22%
Adj. Business revenues	452	458	+1.5%

1. Source: Kantar TNS
2. Unadjusted for disposals

B2B: Continued strong growth in SME



■ Service revenues — Growth y-on-y



■ Business service revenues — Growth y-on-y

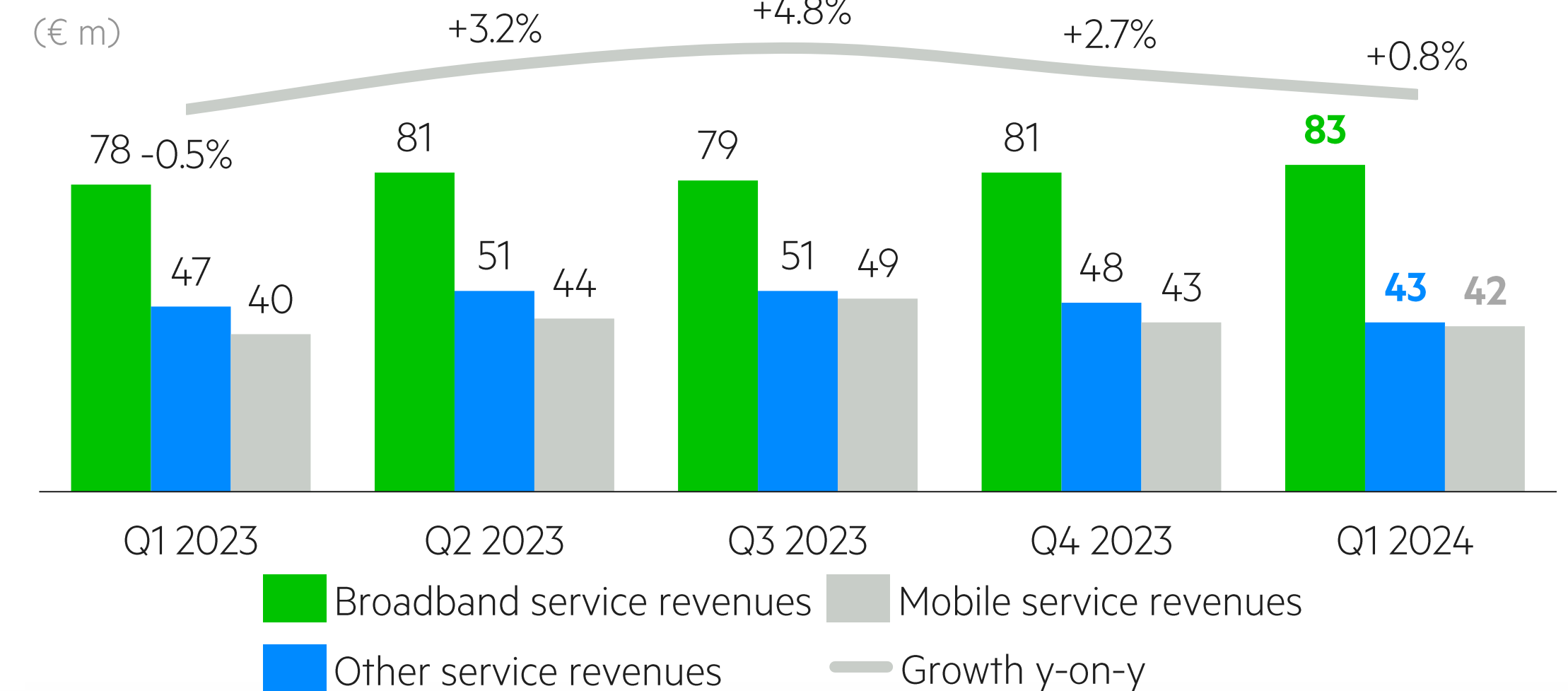
1. Corrected for disposals of CAM IT and KIS

Wholesale: Growth trend levelled off due to lower regulated tariffs

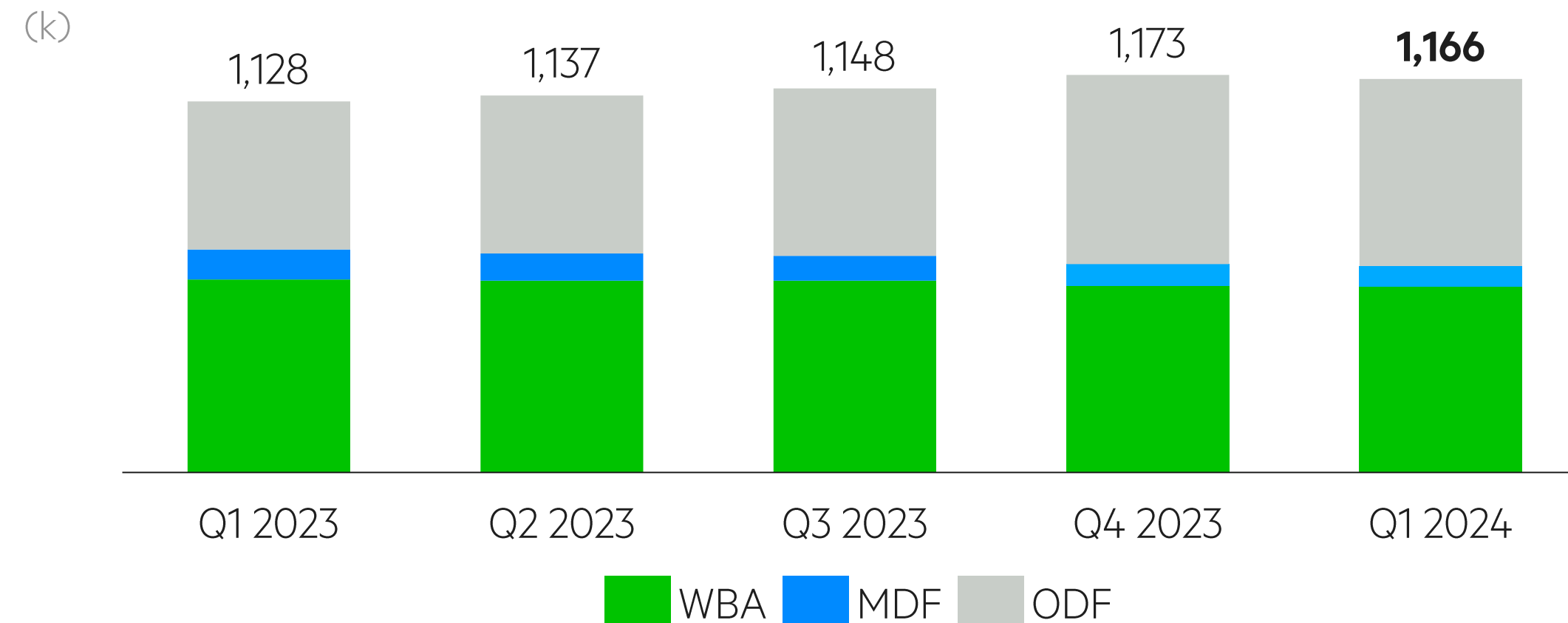
Key take-aways

- Wholesale service revenue growth driven by Broadband and Mobile, partly offset by lower Other service revenues
- Growing broadband service revenues due to higher base compared to last year
- Ongoing mobile service revenue growth (+23k postpaid SIMs)
- Other service revenues declined, mainly due to a decrease in low-margin interconnect revenues (lower regulated tariffs and less traffic)

Service revenue trend



Broadband customer base



Segment revenues (€ m)

	Q1 2023	Q1 2024	Δ y-on-y
Broadband	78	83	+6.0%
Mobile	40	42	+2.6%
Other	47	43	-9.3%
Adj. Wholesale service revenues	166	167	+0.8%
Non-service revenues & Other	-	1	n.m.
Adj. Wholesale revenues	166	169	+1.3%



Financial Performance

Summary: Q1 2024 results

Adjusted revenues

Q1 2024

€ 1,377m
+3.3%

Q1 2023
€ 1,333m

Adj. net indirect opex AL

Q1 2024

€ +19m

Adjusted EBITDA AL

Q1 2024

€ 605m
+3.6%

Q1 2023
€ 584m

Q1 adjusted revenues +3.3% y-on-y

- Growth mainly driven by Consumer

Net profit

Q1 2024

€ 175m
-11%

Q1 2023
€ 196m

Liquidity position

Q1 2024

€ 2.3bn

Cash & short-term investments: € 1.3bn
Committed undrawn facilities: € 1.0bn

Leverage ratio

Q1 2024

2.3x

Q1 2023
2.2x

Q1 adjusted EBITDA AL +3.6% y-on-y

- Higher service revenues partly offset by higher indirect cost base

Capex

Q1 2024

€ 302m
+1.5%

Q1 2023
€ 298m

Operational Free Cash Flow

Q1 2024

€ 303m
+5.9%

Q1 2023
€ 286m

Free Cash Flow

Q1 2024

€ 154m
-5.8%

Q1 2023
€ 164m

Q1 FCF of € 154m (-5.8% y-on-y)

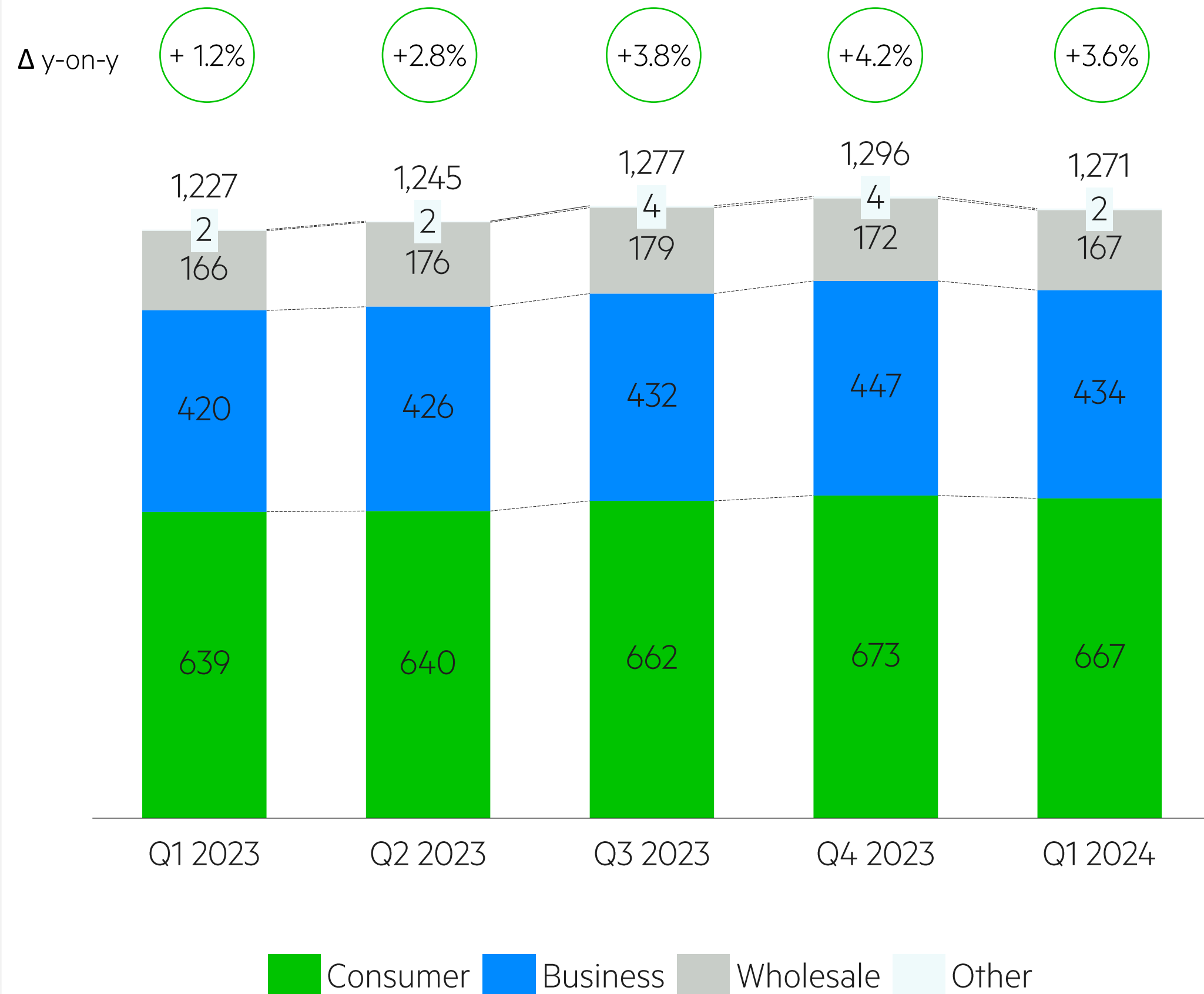
- Mainly impacted by intra-year phasing of Working Capital

Strong liquidity position of € 2.3bn

Sustainable Group service revenue growth

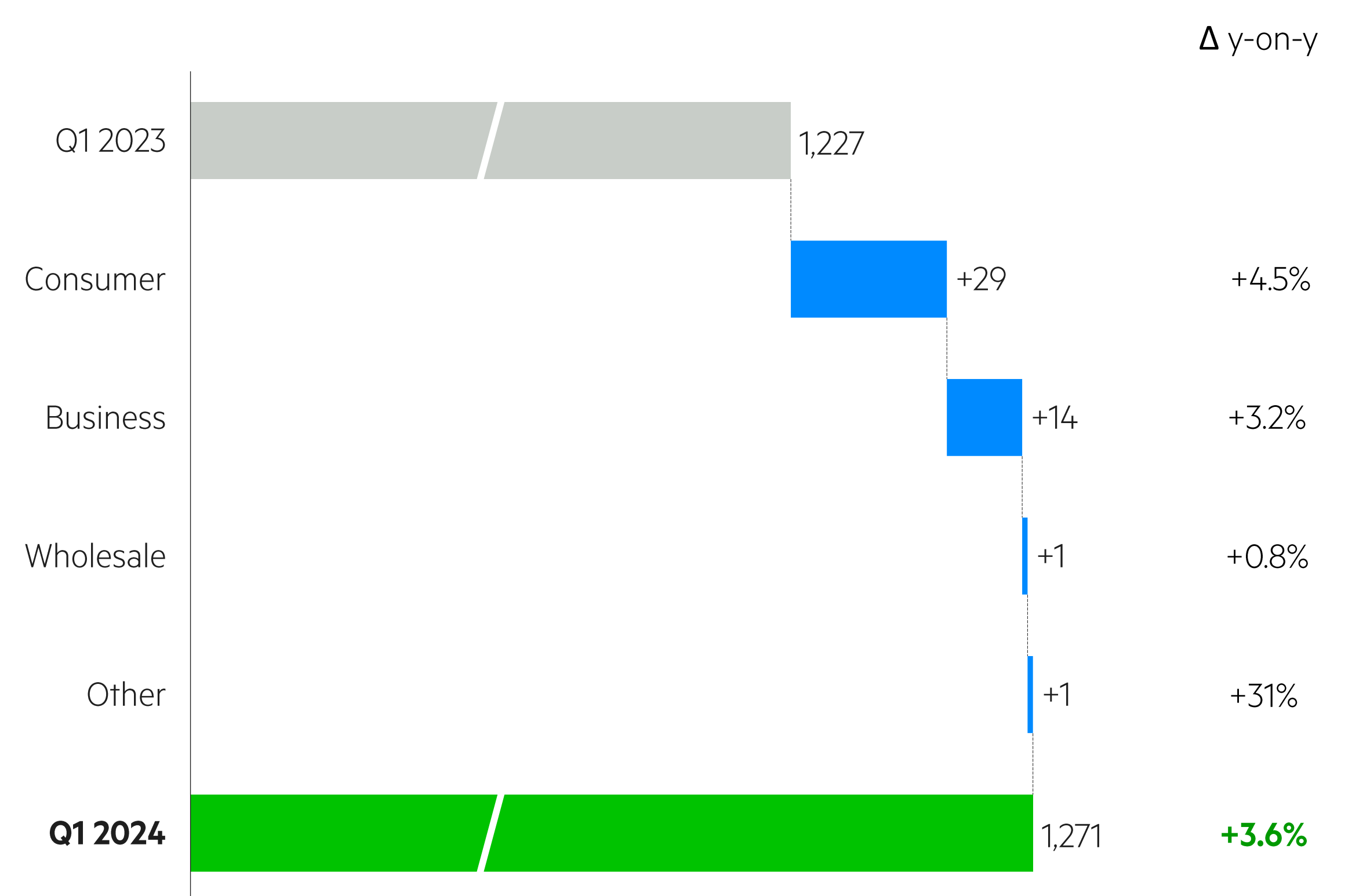
Continued Group service revenue growth

(€ m)

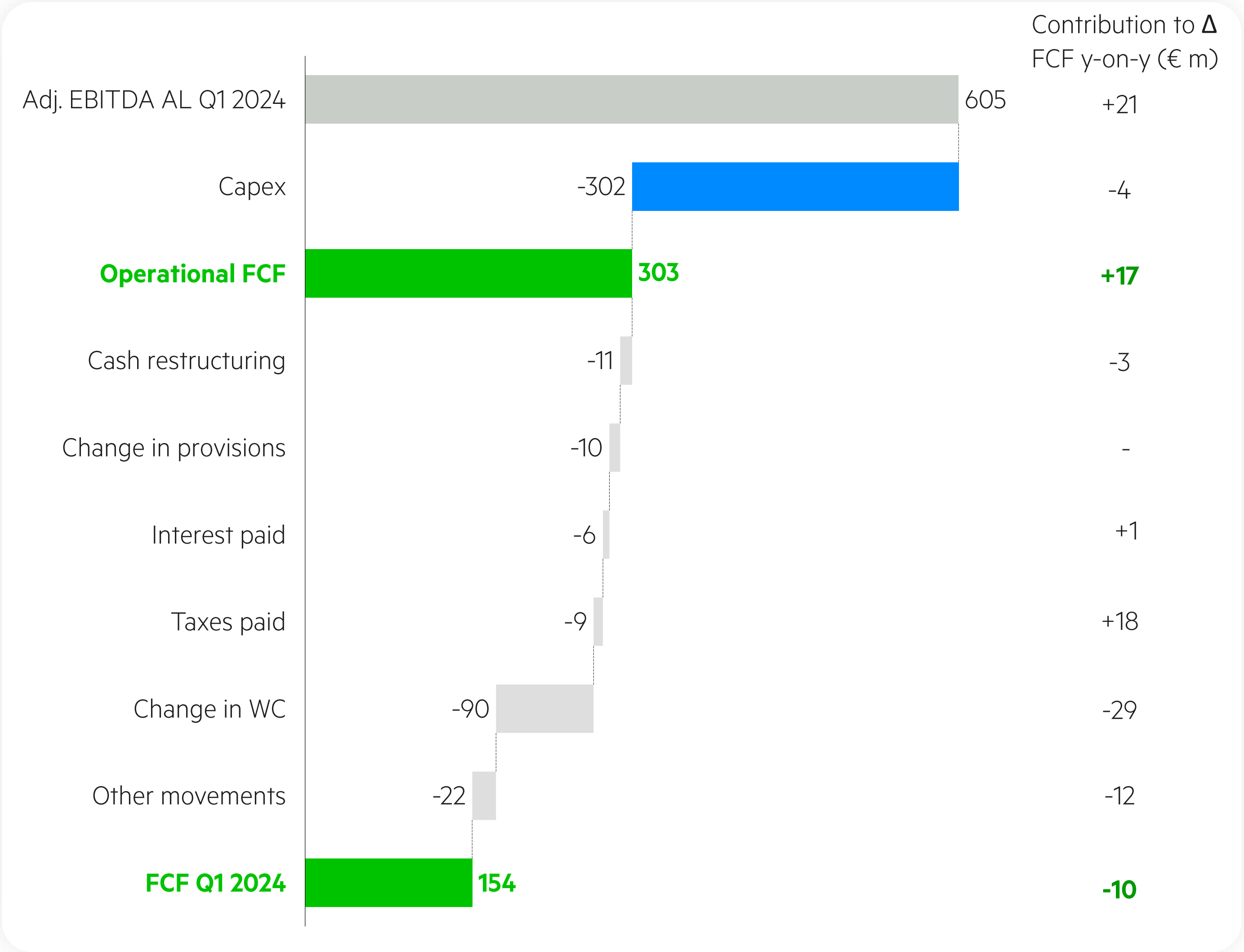


Growth driven by Consumer and Business

(€ m)



FCF generation impacted by intra-year phasing



▶ **Q1 2024 Free Cash Flow** of **€ 154m**, 5.8% lower y-on-y mainly due to:

- Phasing of Working Capital

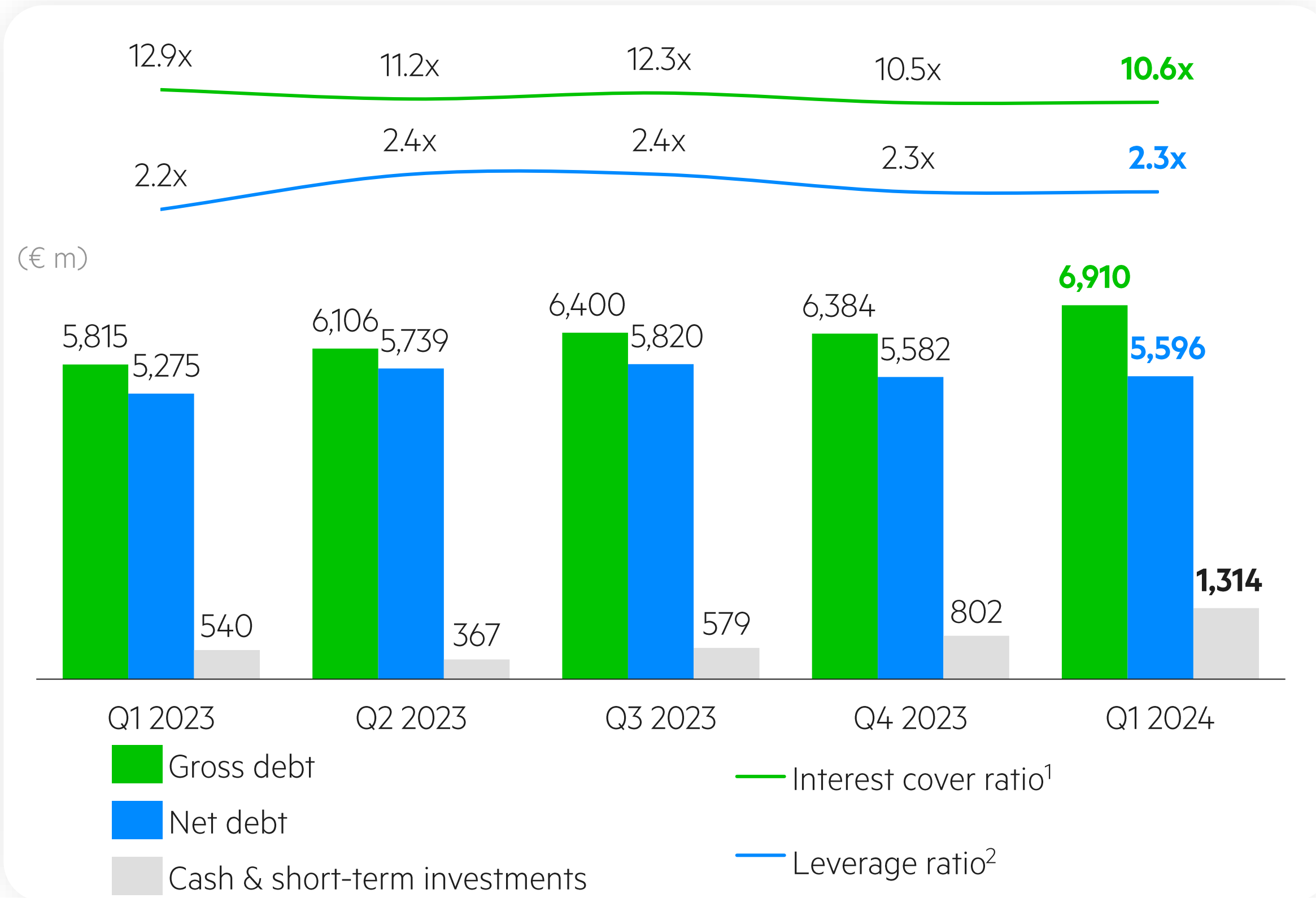
Partly offset by:

- Lower taxes

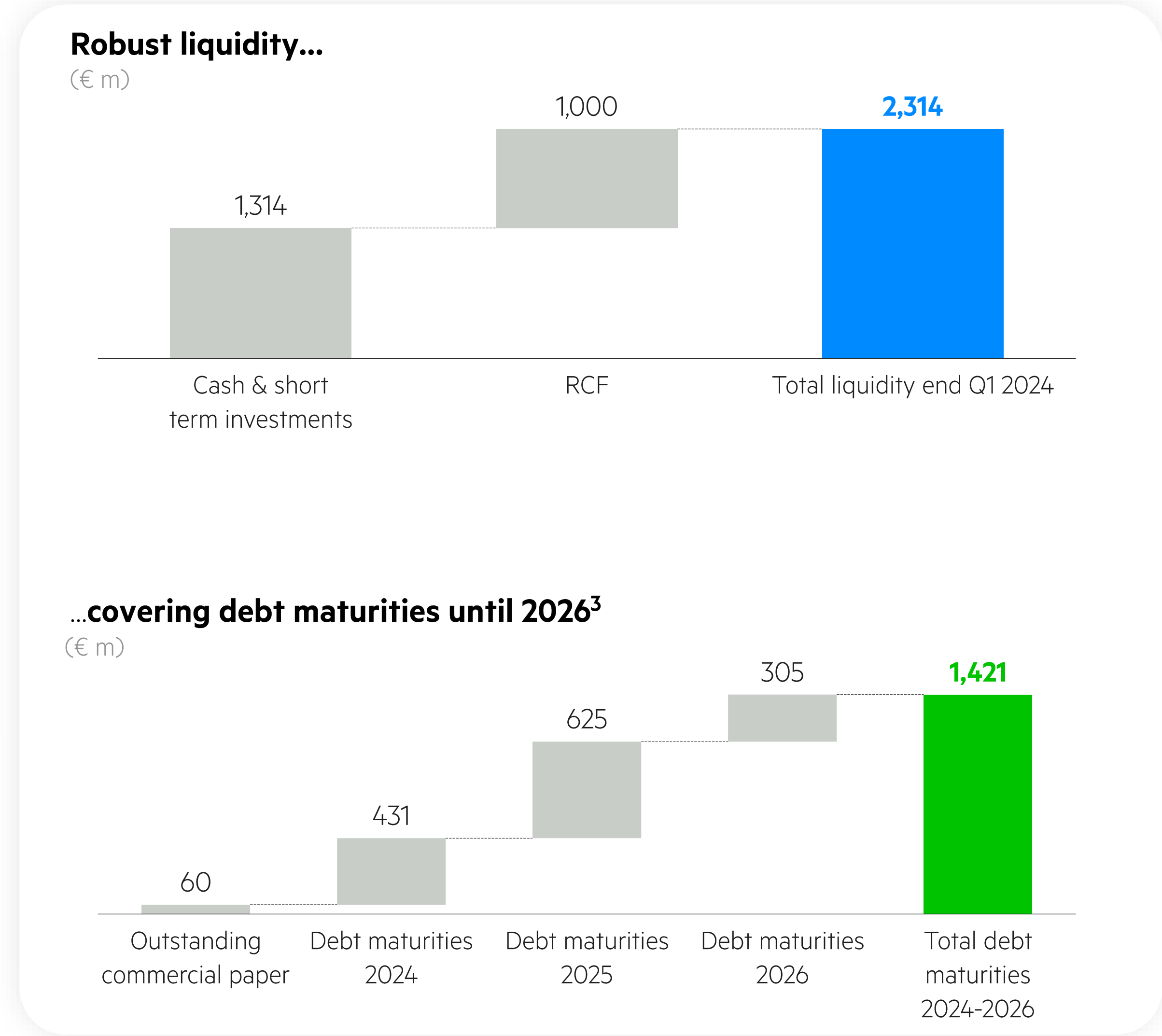
▶ Cash & short-term investments of **€ 1,314m** per 31 March 2024

(€m)	Q1 2023	Q1 2024
Free Cash Flow	164	154
<i>As % of adj. revenues</i>	12.3%	11.2%
Acquisitions & disposals	3	10
Change in short-term investments	-1	-52
Other investing cash flow	50	24
Dividends paid	-	-
Share repurchase	-46	-135
Other financing cash flow	-130	458
Cash flow from discontinued operations	-1	-
Change in net cash & cash equivalents	39	460

Robust liquidity position, committed to investment-grade credit profile



- Net debt stable at € 5.6bn, gross debt increased after refinancing in Q1' 24
- Leverage ratio stable at 2.3x q-on-q and 0.1x higher y-on-y
- Strong liquidity position of € 2.3bn
- Average cost of senior debt lower q-on-q at 3.96% (+6 bps y-on-y)



1. LTM adjusted EBITDA AL / LTM net interest paid (excl. lease interest, incl. perpetual hybrid coupon)
 2. Net debt (excl. leases) / LTM adjusted EBITDA AL 3. Excluding optional call redemptions on hybrid bonds

FY 2024 outlook raised for adjusted EBITDA AL and Free Cash Flow

	Old outlook FY 2024	New outlook FY 2024	Ambitions FY 2027 ¹
Service revenues	~3%	~3%	~3% CAGR
Adj. EBITDA AL	~€ 2,480m	~€ 2,500m	~3% CAGR
Capex	~€ 1.2bn	~€ 1.2bn	<€ 1.0bn
Free Cash Flow	~€ 880m	>€ 890m	~7% CAGR

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Appendices

- I Tax
- II Debt portfolio
- III ESG Dashboard

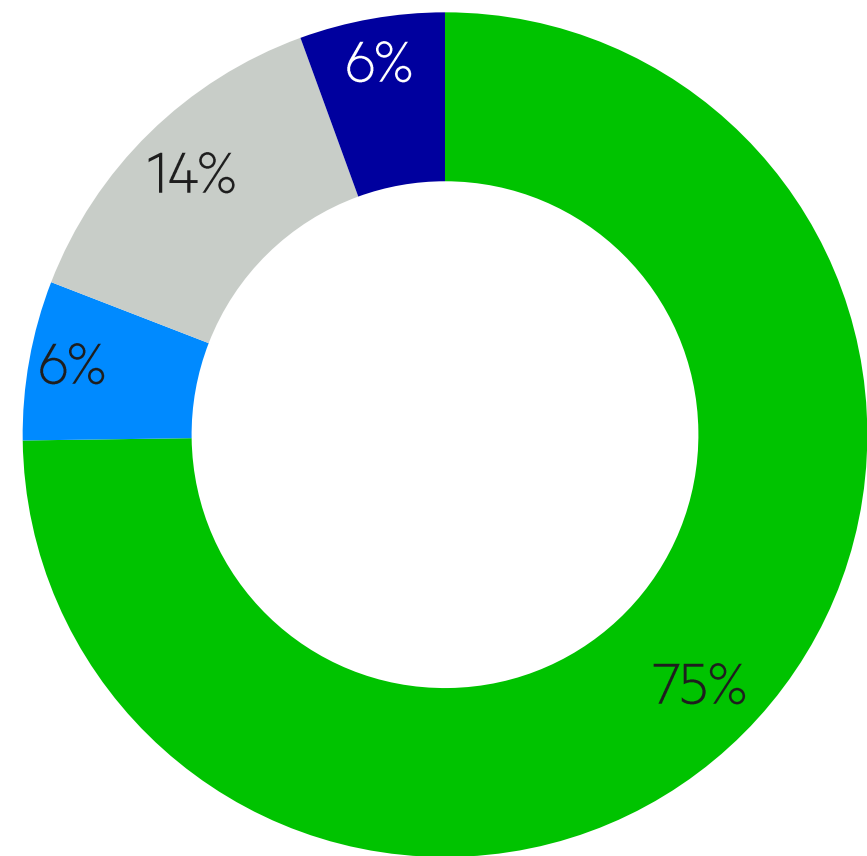
I. Tax Q1 2024

Regions (€ m)	P&L		Cash flow	
	Q1 2023	Q1 2024	Q1 2023	Q1 2024
The Netherlands	-57	-46	-27	-9
Other	-	-	-	-
Total reported tax	-57	-46	-27	-9
Of which discontinued operations	-	-	-	-
Reported tax from continuing operations	-57	-46	-27	-9
Effective tax rate continuing operations	22.3%	20.8%		

- The effective tax rate for Q1 2024 was mainly influenced by the Innovation Box facility and the tax effect of perpetual hybrid bonds
- The normalized tax rate is ~23% for Q1 2024 (adjusted for iBox, one-off effects¹ and the tax effect of perpetual hybrid bonds)
- For 2024, the effective tax rate is expected to be **~23%**

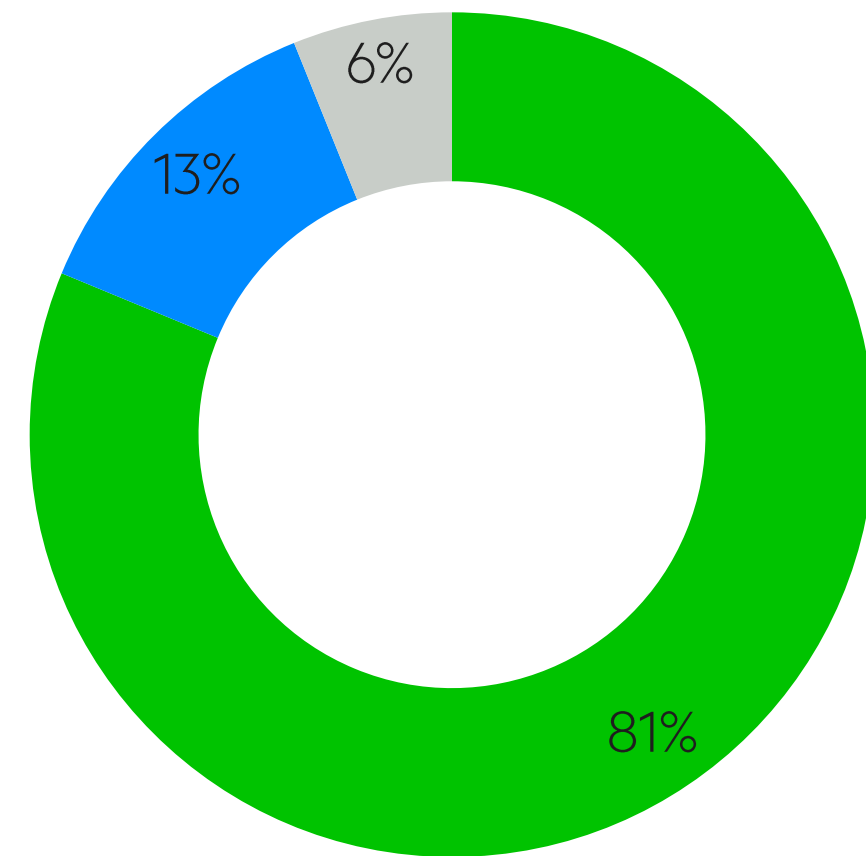
II. Debt portfolio

Nominal debt by type¹



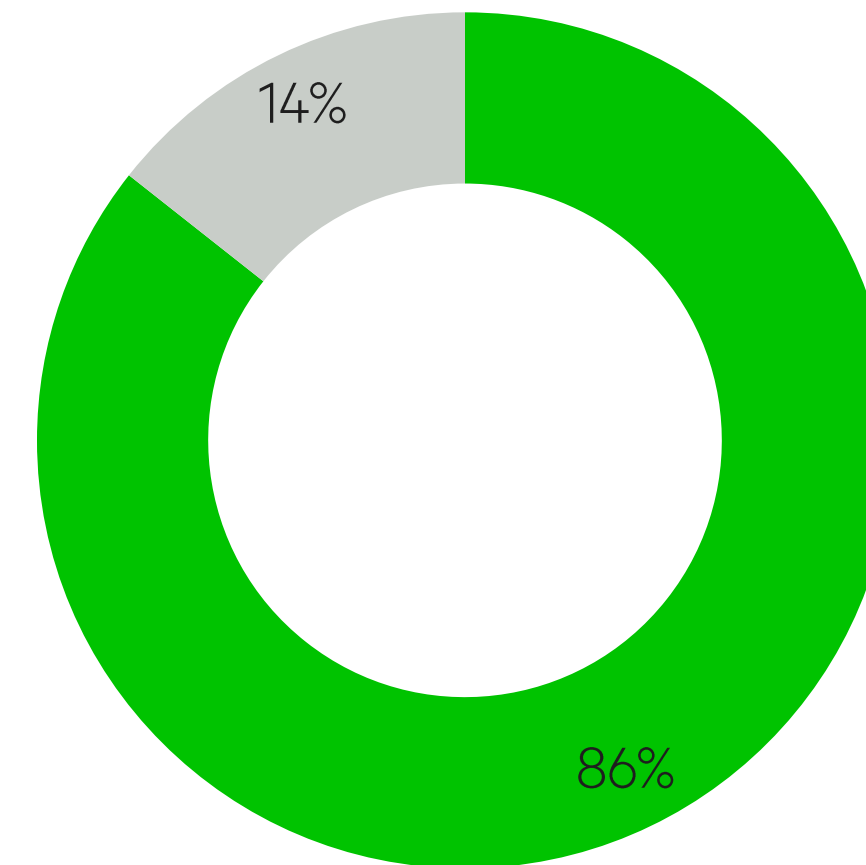
- Eurobonds
- Global bonds
- Hybrid bonds
- Loans & other

Nominal debt by currency¹



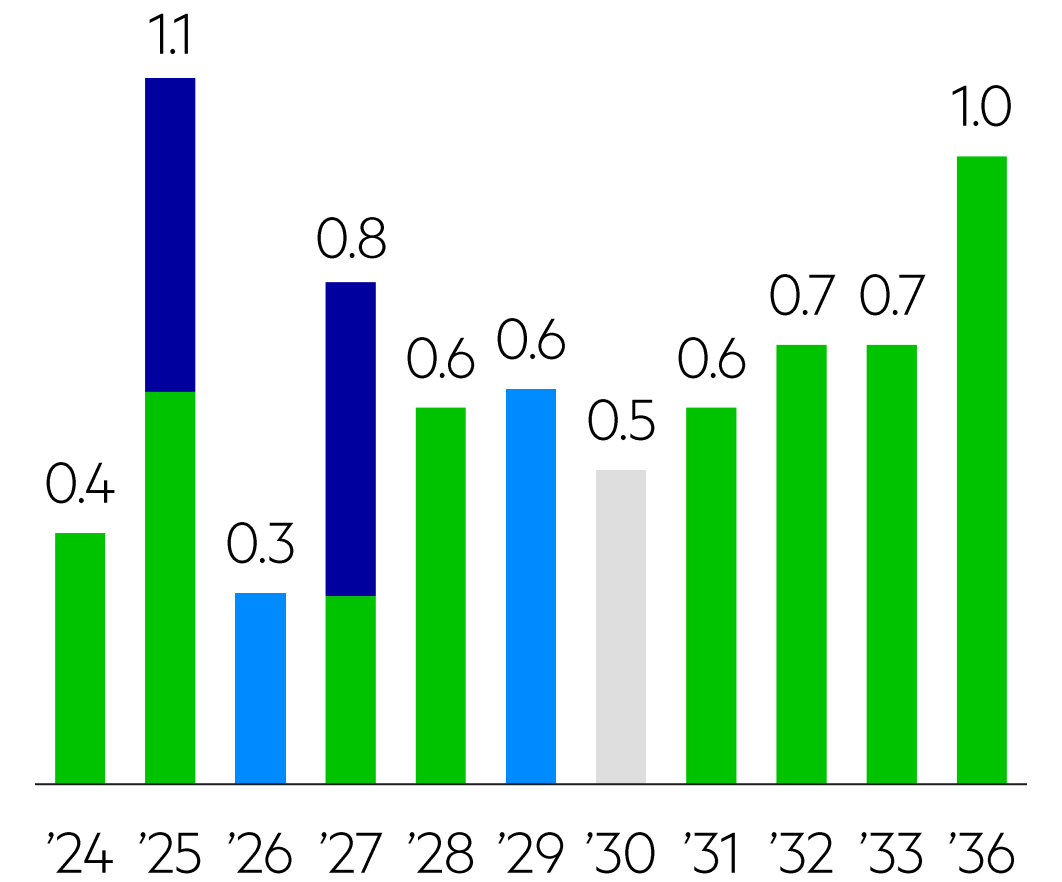
- EUR
- GBP
- USD

Fixed vs. floating interest¹



- Fixed
- Floating

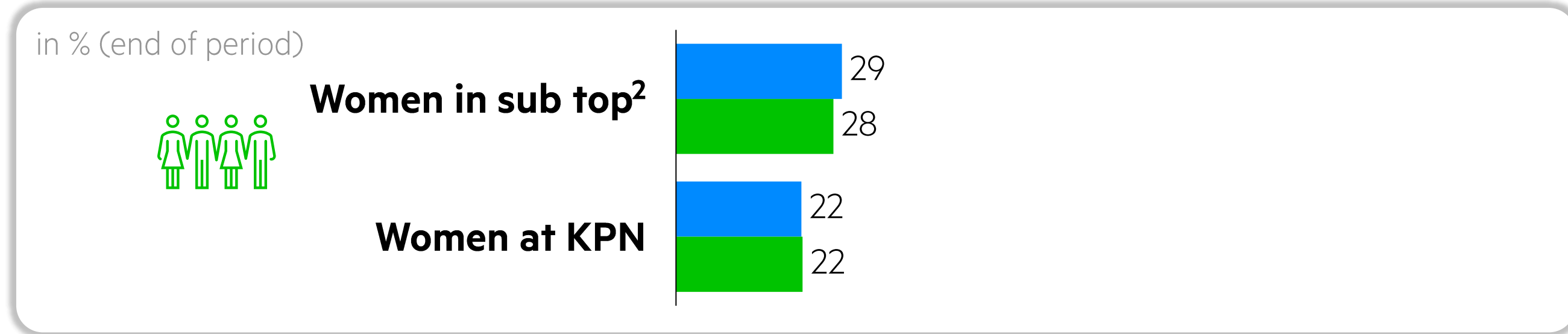
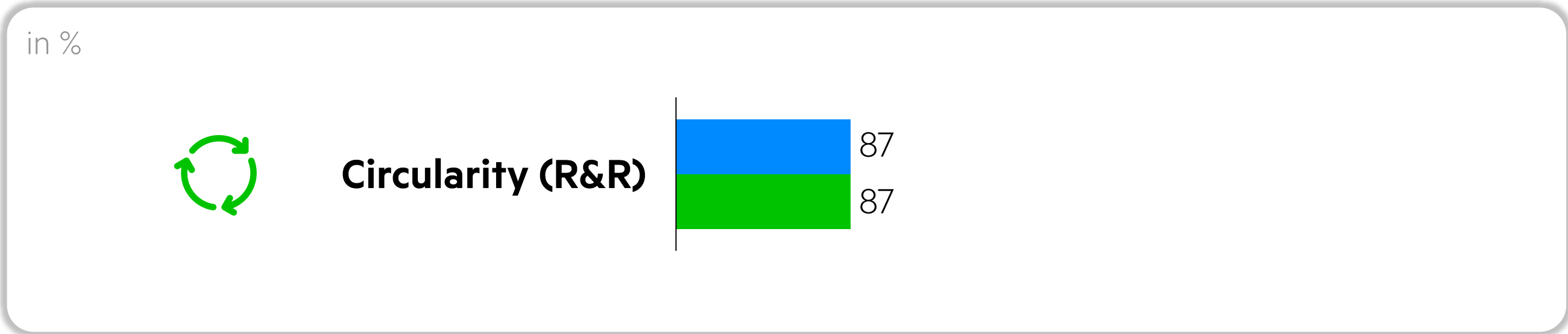
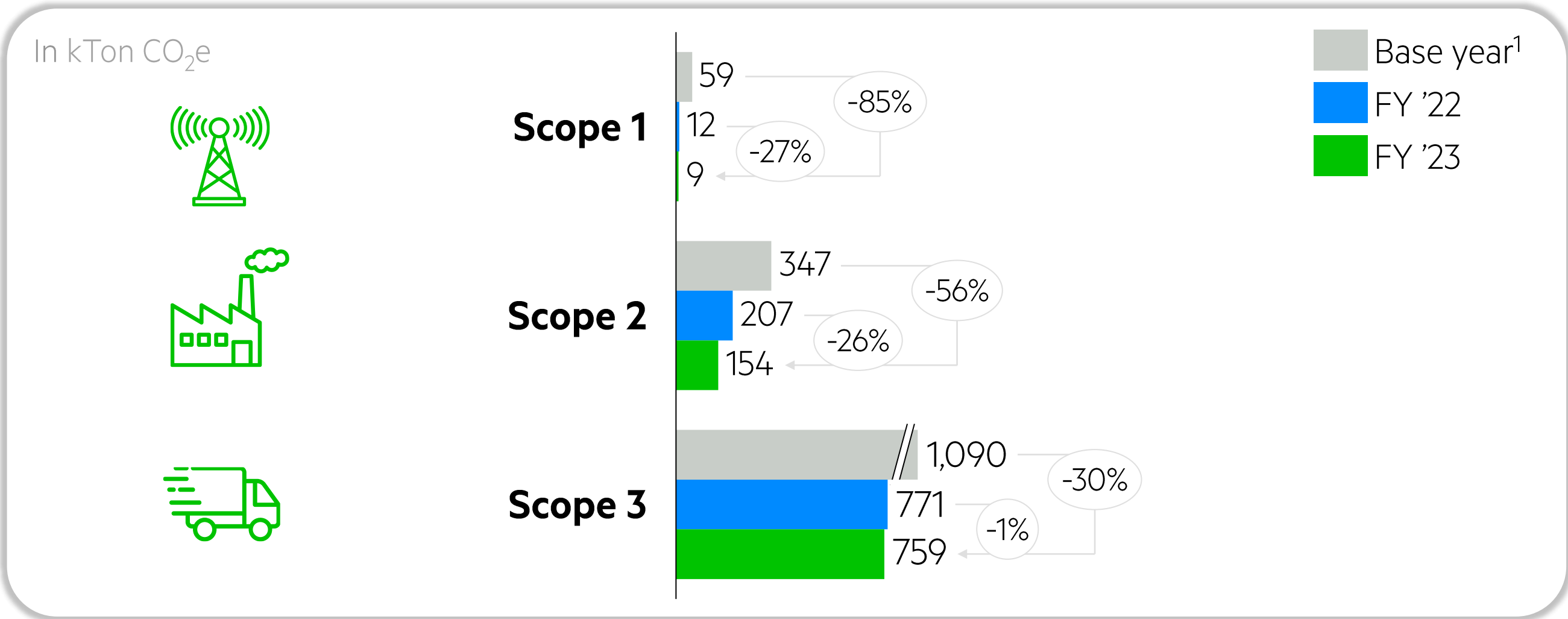
Debt redemption profile²



- EUR
- GBP
- USD
- EUR hybrid (1st call)

1. Based on the nominal value of interest-bearing liabilities after swap to EUR as per 31 March 2024
 2. Includes outstanding bonds and loans, excluding commercial paper

III. ESG Dashboard



Scope 1 – Direct emissions

- Gross emissions, relating to fuel consumption car fleet, heating of buildings, consumption of coolants, fuel consumption of emergency power generators
- Ambition: 99% fossil fuel free cars added to company fleet in 2025

Scope 2 – Indirect emissions

- Location based emissions, relating to usage of electricity of fixed and mobile networks, offices and shops and district heating/cooling
- Ambition: electricity consumption by KPN Group in 2030 reduced to < 400 GWh

Scope 3 – Emissions in value chain

- Emissions in the upstream value chain (production phase at suppliers)
- Emissions in the downstream value chain (use phase, recycling and disposal)
- Ambition: net zero CO₂e emissions in 2040

Circularity

- Re-use and recycling (R&R) share of the outflow of KPN materials and waste destined to be reused, recycled, incinerated or landfilled
- Target: 86% re-use and recycling in 2025

Diversity

- Achieved: Board of Management consists of 50% and Supervisory Board of 33% female members
- Ambition: 25% women at KPN and 35% women in sub top positions by 2025

1. Baseline year is 2010 for scope 1 and 2 emissions and 2014 for scope 3 emissions 2. Direct reports to Board of Management in management positions



KPN Investor Relations

 ir.kpn.com