

Connect Activate Grow



**Q4 & FY
results**

30 January 2025

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 2024, unless stated otherwise.

Highlights: KPN delivered on FY 2024 outlook; on track towards mid-term ambitions

- ▶▶ **FY 2024** Group service revenues +3.4% y-on-y, EBITDA AL € 2,508m, FCF € 900m
- ▶▶ **Continued Group service revenue growth** in Q4 (+2.5% y-on-y, or +2.0% organic¹)
- ▶▶ **Consumer service revenue grew** 4.4% y-on-y, or +1.0% organic in Q4
- ▶▶ **Solid commercial momentum** in Consumer postpaid (+30k) and broadband (+10k)
- ▶▶ **Business service revenue grew** 2.5% y-on-y, or +3.1% organic in Q4
- ▶▶ **Expanded fiber footprint** (+574k HP incl. Glaspoort); record year connecting homes
- ▶▶ **2025 outlook:** Service revenue growth ~3%, adj. EBITDA AL ~€ 2,580m, FCF ~€ 910m
- ▶▶ **7% DPS growth and € 250m share buyback**, returning all FCF to shareholders

Delivered on 2024 outlook

Outlook FY 2024

Achievements
FY 2024

Service revenues	~3%	+3.4%
Adj. EBITDA AL	~€ 2,500m	€ 2,508m
Capex	~€ 1.2bn	€ 1,255m
Free Cash Flow	>€ 890m	€ 900m
DPS	€ 17ct	€ 17ct ¹
Share buyback	€ 200m	€ 200m

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

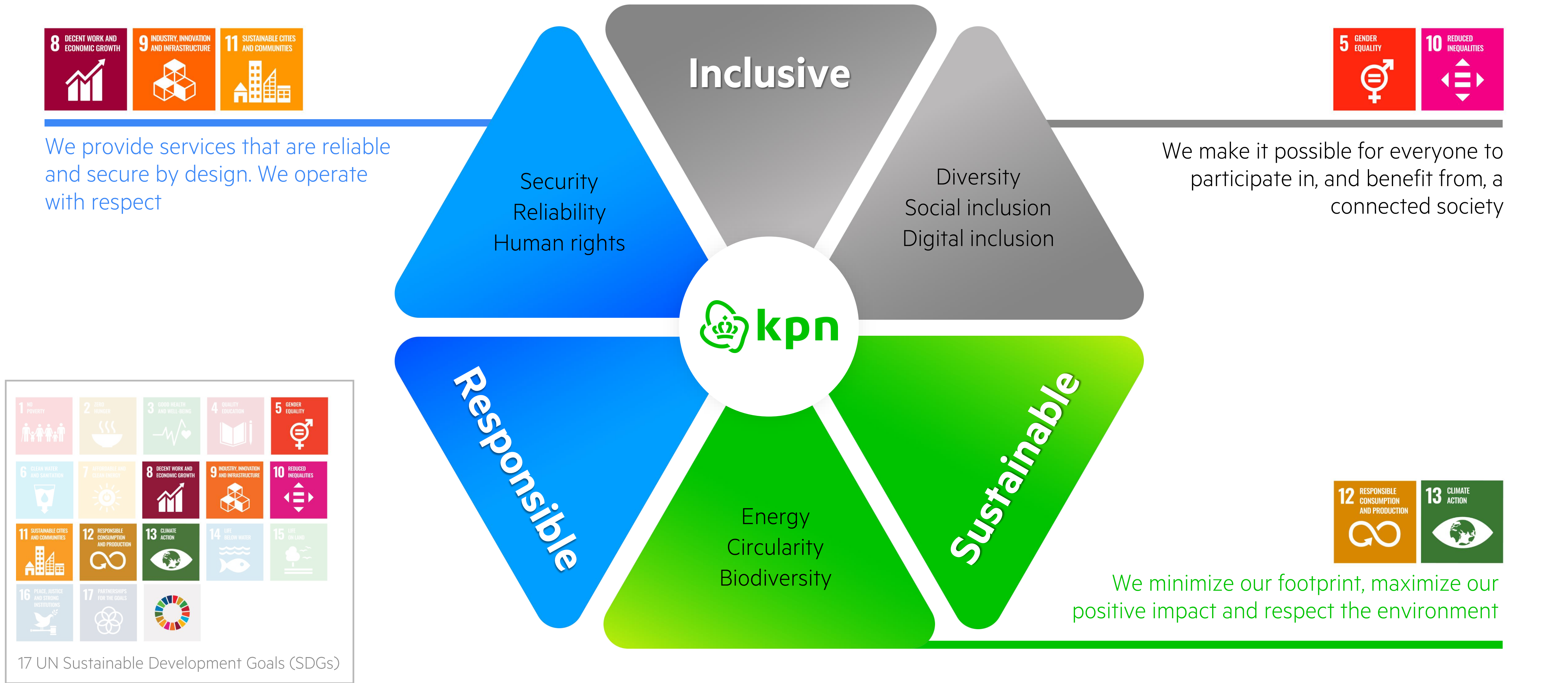
Ambitions

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%**

ESG fully embedded in strategy



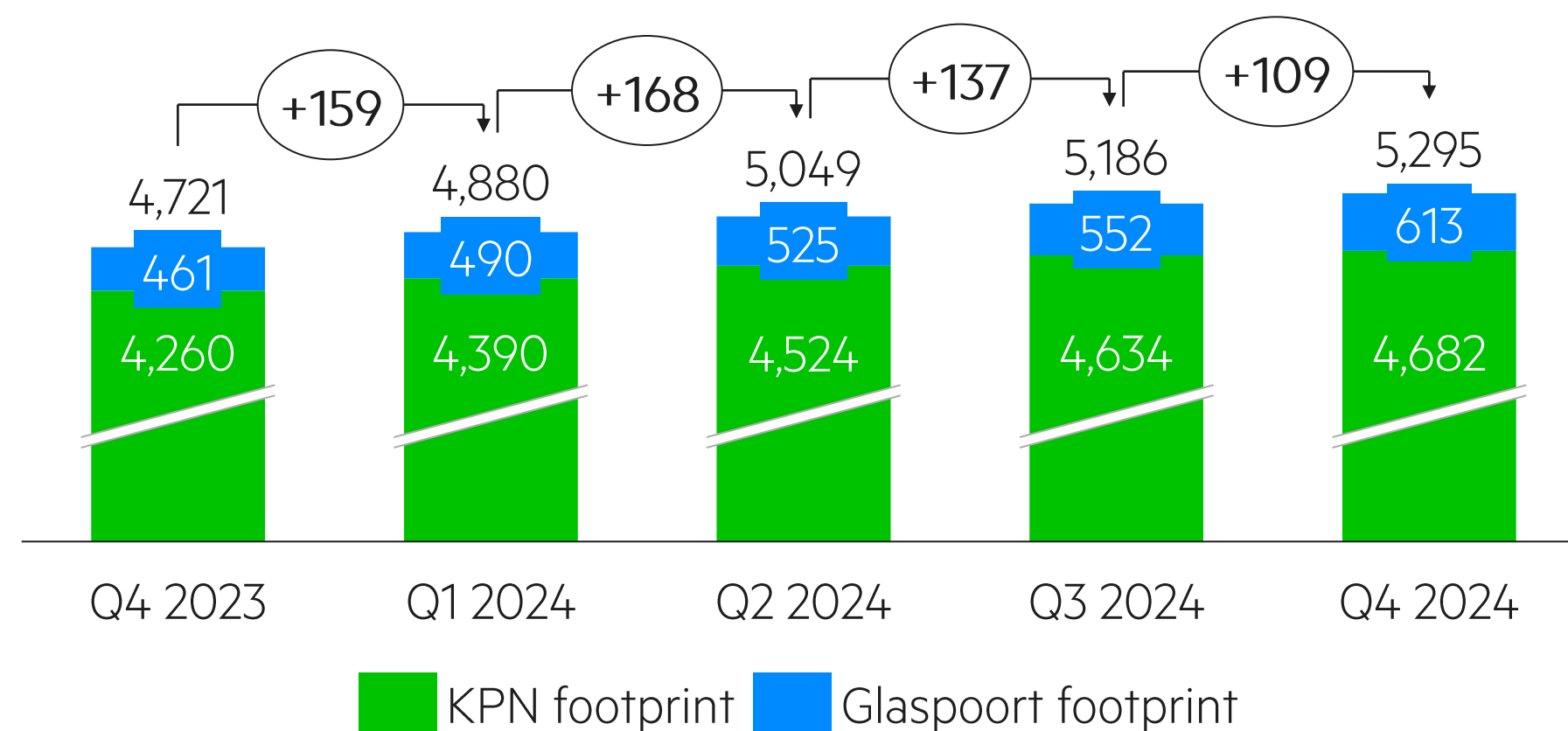


**Connect,
Activate &
Grow**

Fiber engine running

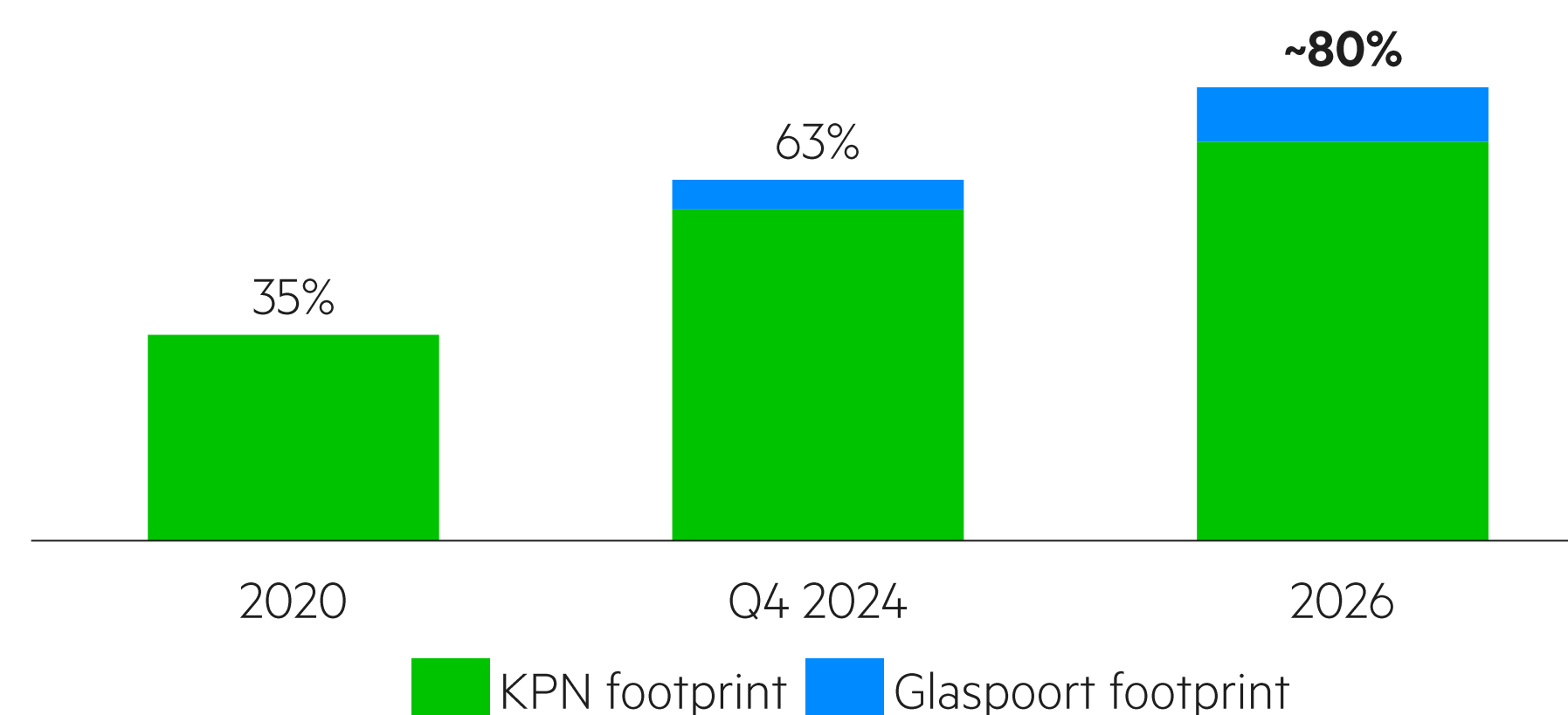
Continuously expanding fiber footprint

Homes passed (k)¹



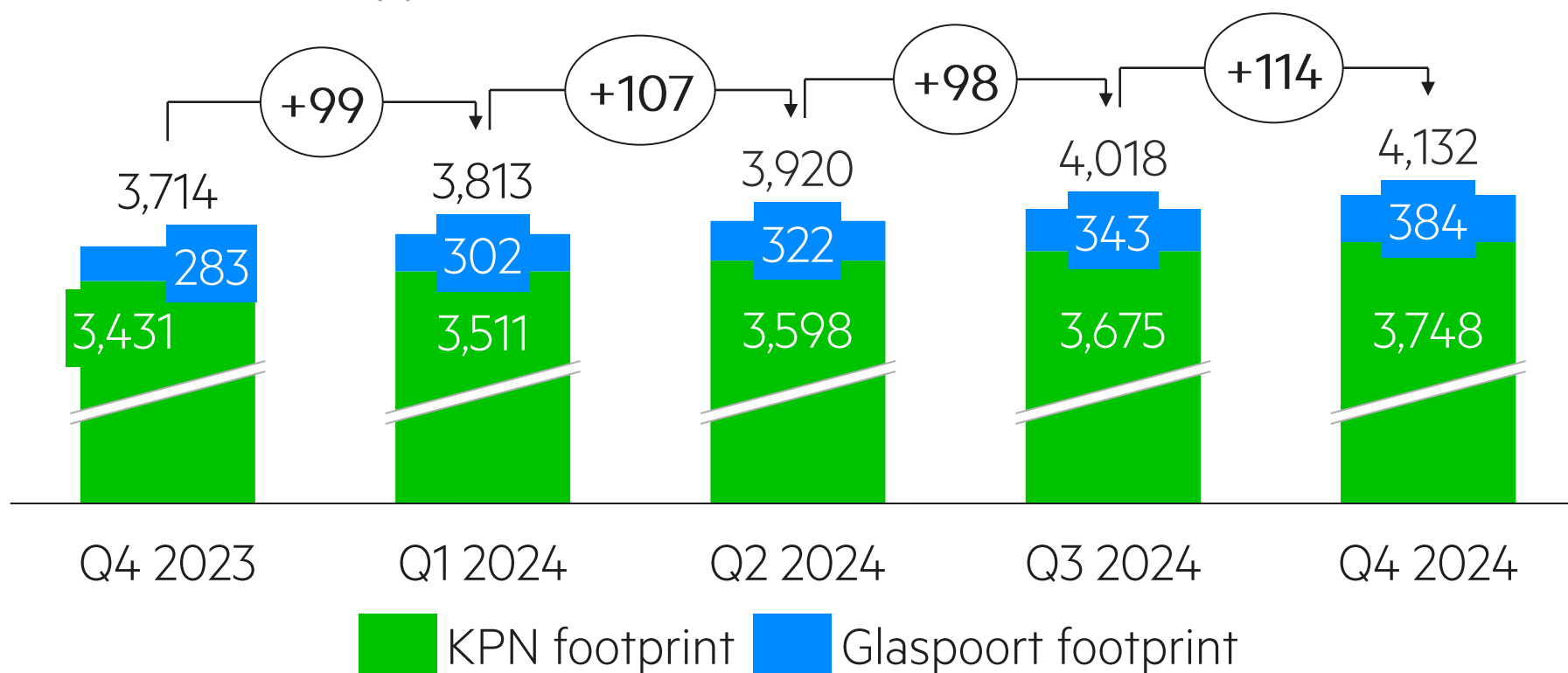
Leading fiber footprint

homes passed as a % of Dutch households

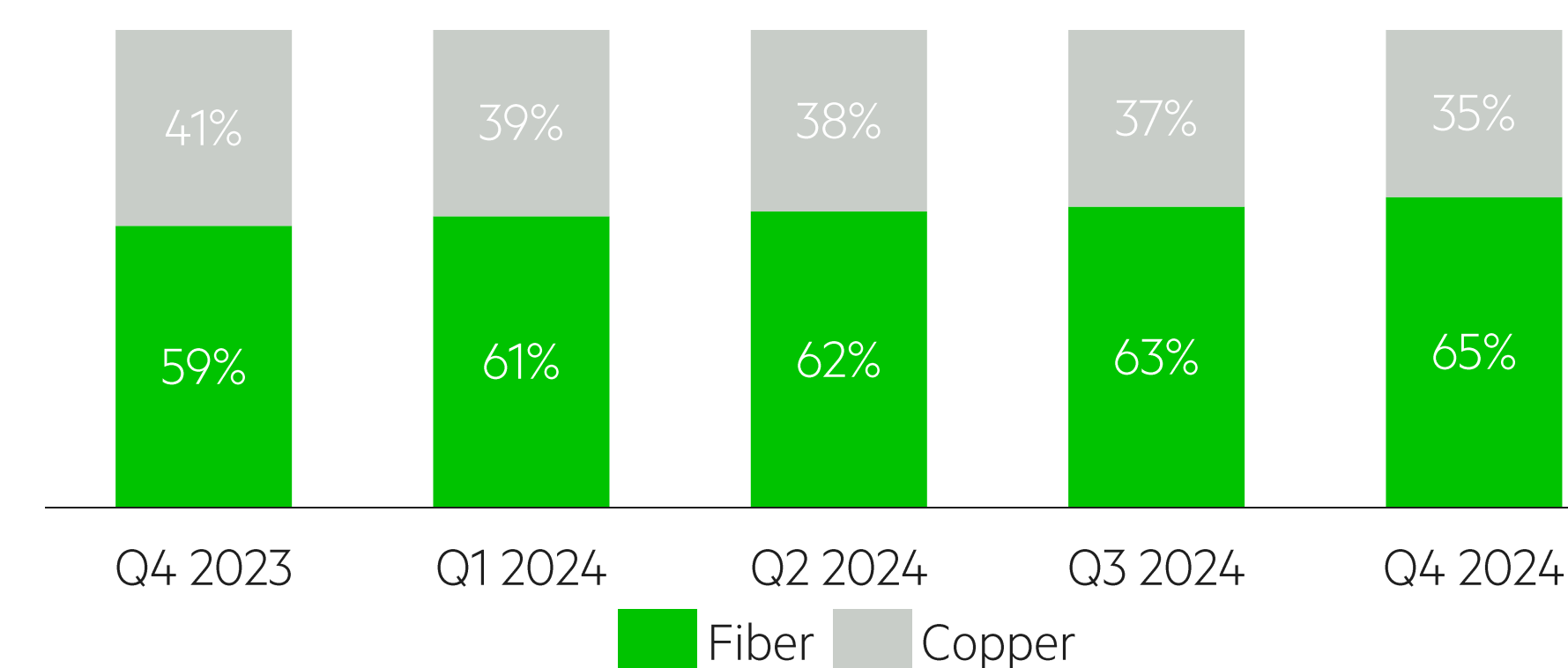


Record year homes connected

Homes connected (k)²



B2C broadband customer base mix



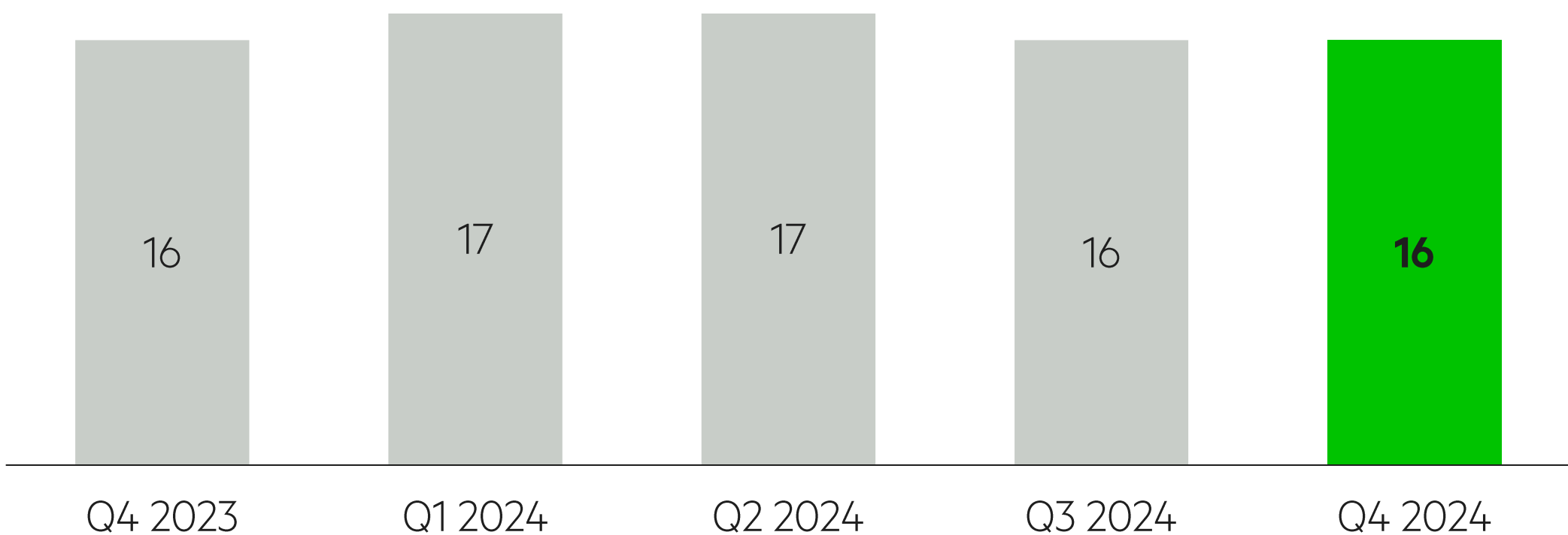
B2C: Service revenue growth trend softened, due to Mobile

Key take-aways

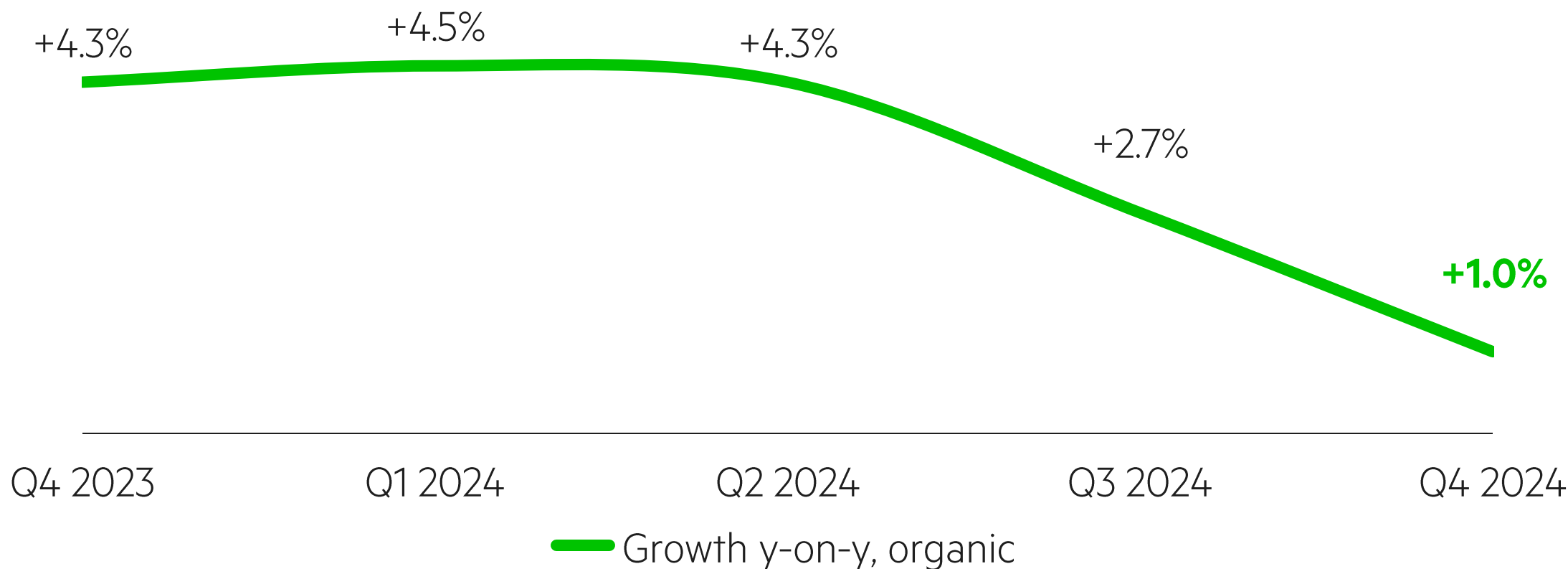
- Consumer service revenues grew 1.0% y-on-y organically, driven by Fixed and Mobile
- Fixed service revenues supported by continued strong fiber broadband service revenue growth
- Mobile service revenue trend softened, mainly due to lapping of previous price increases, less out-of-bundle revenues and negative one-offs
- Solid commercial momentum in Broadband (+10k¹) and Mobile (+30k)
- NPS stable sequentially and improved throughout the quarter

Leading NPS²

(YTD)



Adj. Service Revenue trend

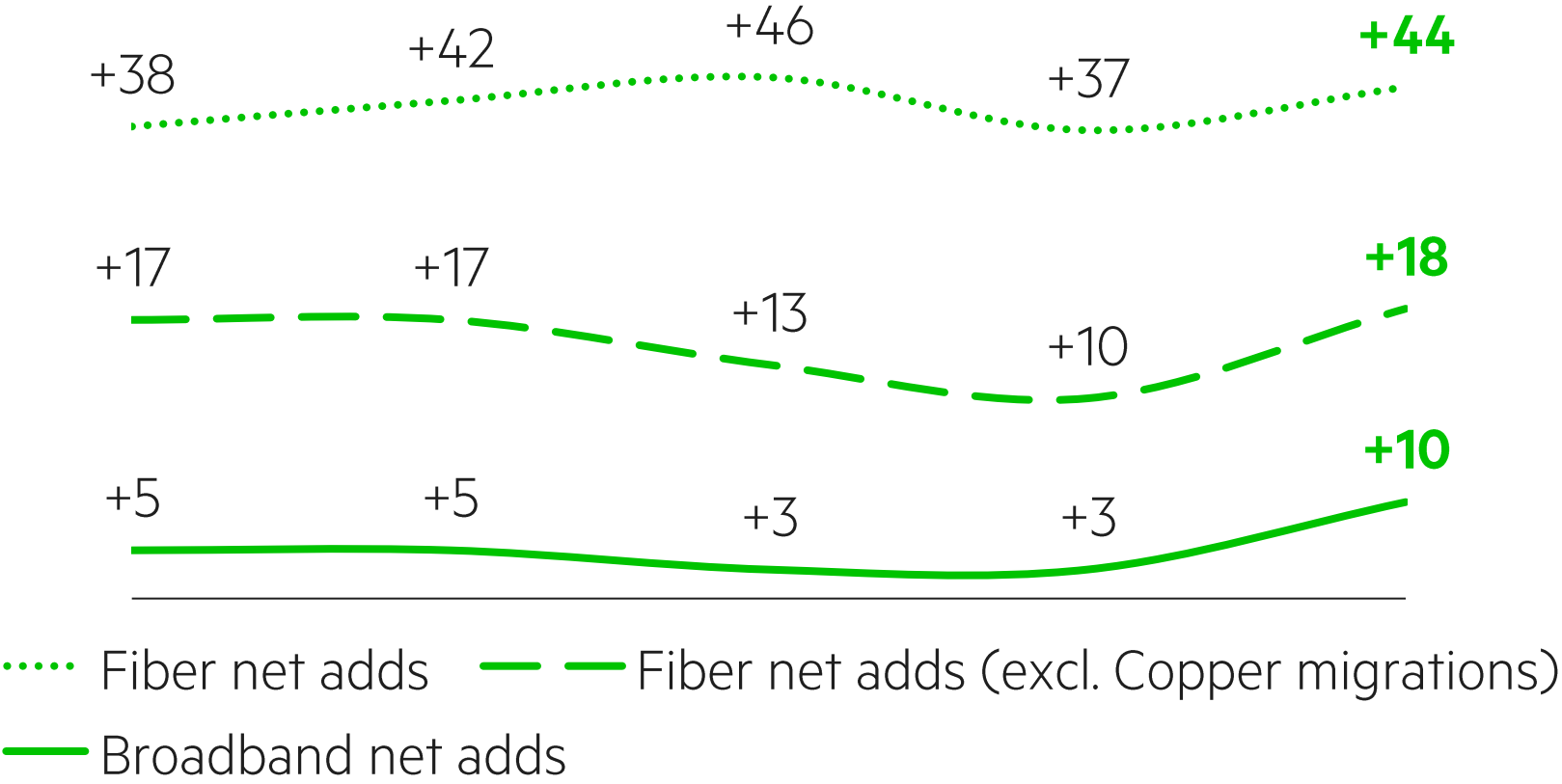


Segment revenues (€ m)	Q4 2023	Q4 2024	Δ y-on-y	Organic
Fixed service revenues	465	477	+2.6%	+1.3%
o/w Fiber broadband	270	304	+13%	+12%
o/w Copper broadband	181	162	-11%	-13%
o/w Other Fixed	14	12	-16%	-18%
Mobile service revenues	208	225	+8.3%	+0.3%
Adj. Consumer service revenues	673	702	+4.4%	+1.0%
Non-service revenues & Other	77	80	+4.2%	+4.2%
Adj. Consumer revenues	750	783	+4.4%	+1.3%

B2C: Ongoing net adds, partly offset by declining Mobile ARPU

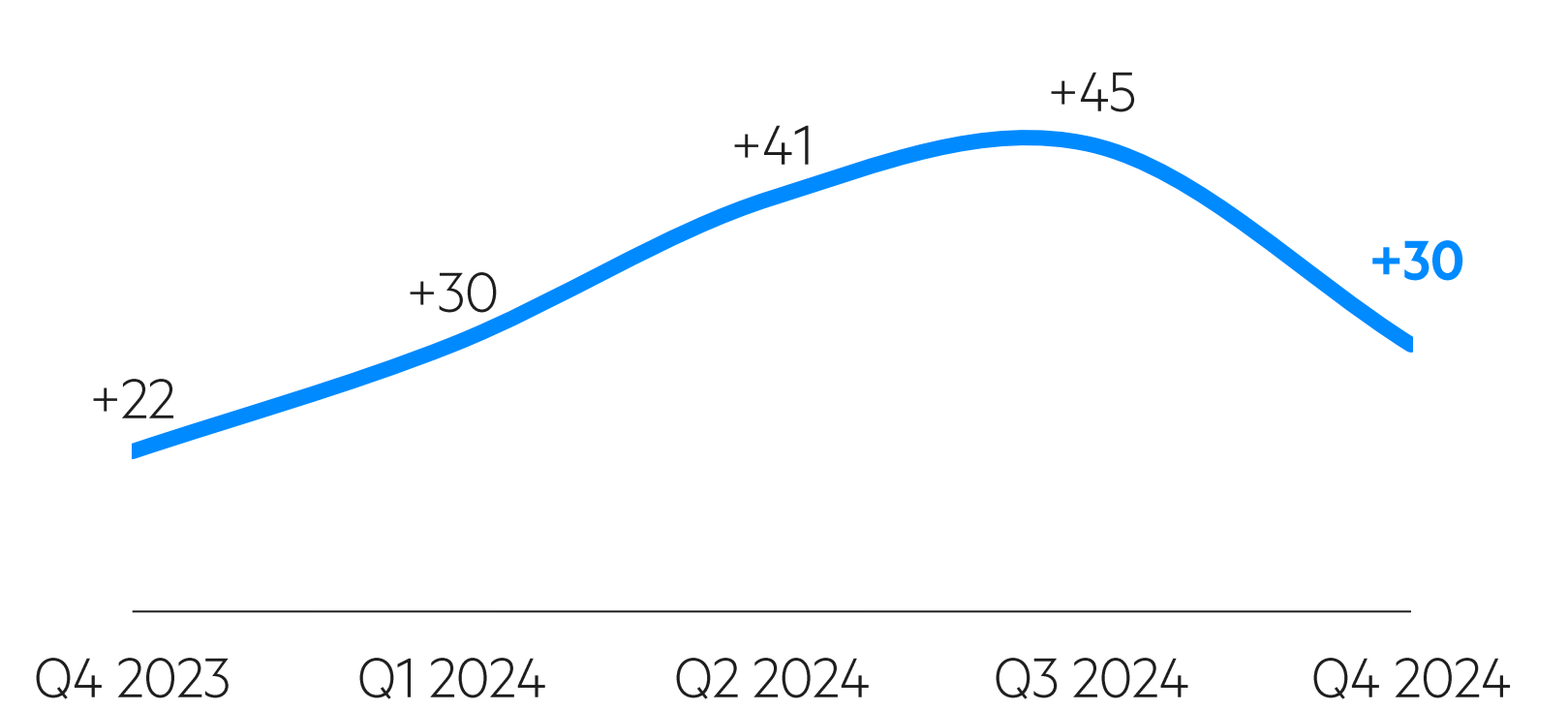
Encouraging broadband net adds

(k, organic)¹



Continued positive net adds in postpaid

(k, organic)



Fixed ARPU (excl. YF) growing

€ 55

+2.0% y-on-y

Blended ARPU
€ 55

Mobile ARPU (excl. YF) declined

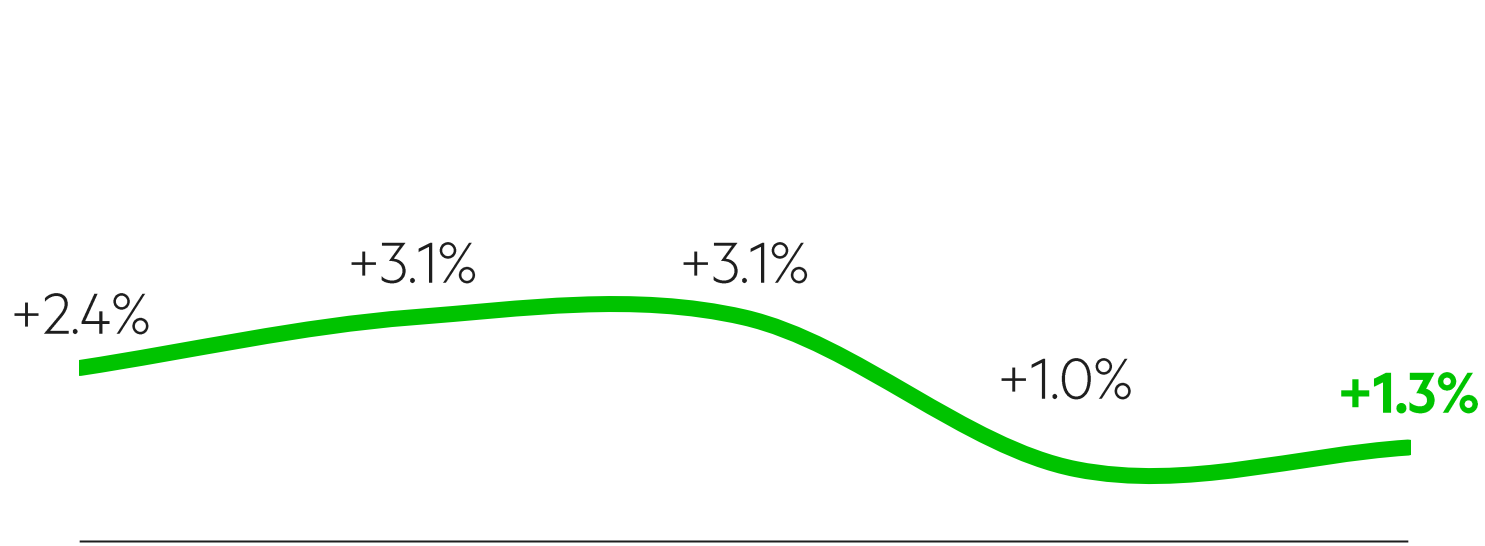
€ 17

-2.8% y-on-y

Blended ARPU
€ 16

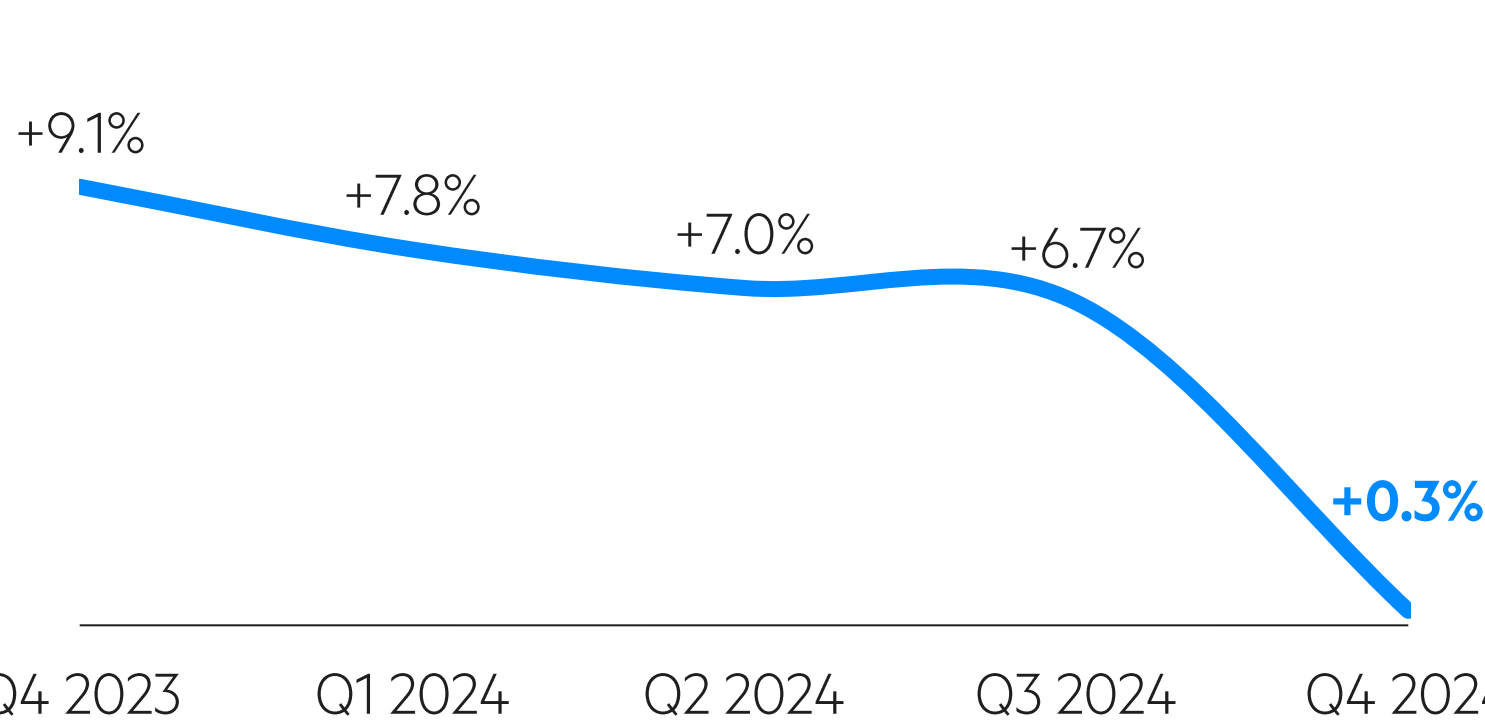
Continued fixed service revenue growth

(growth y-on-y, organic)



Mobile service revenue trend softened

(growth y-on-y, organic)

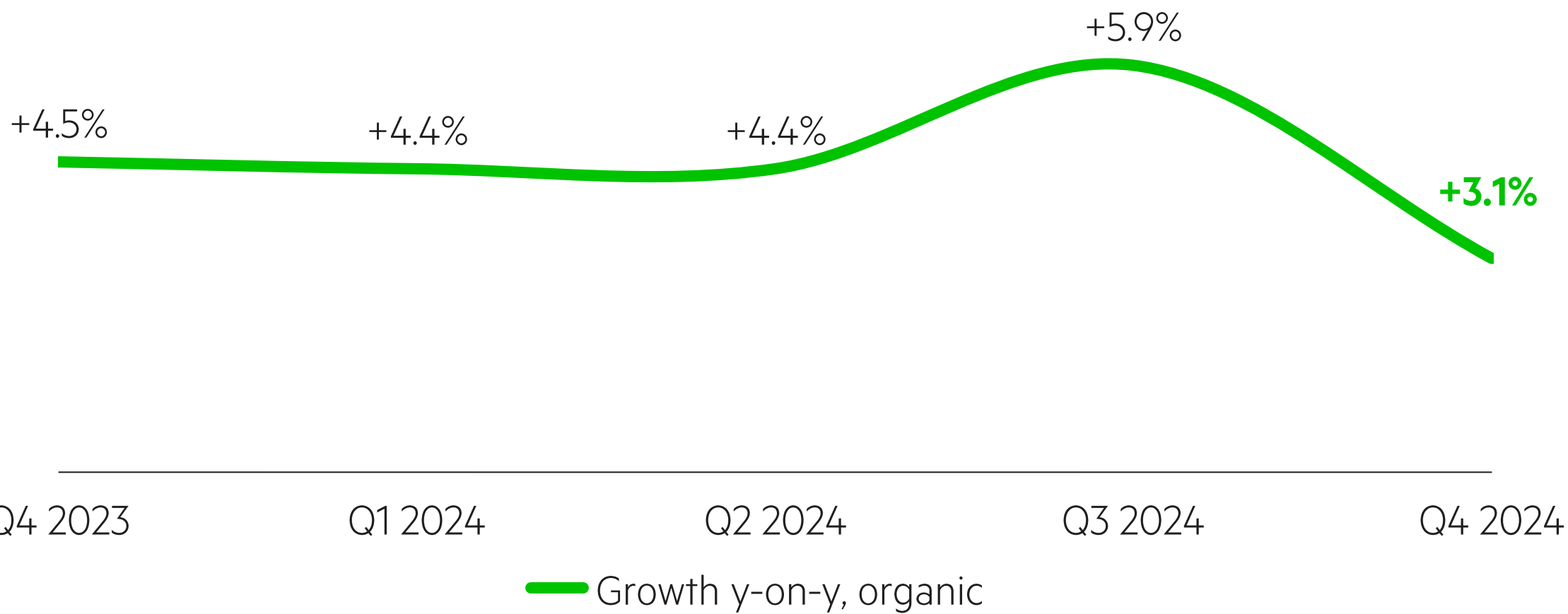


B2B: Service revenues continued to grow

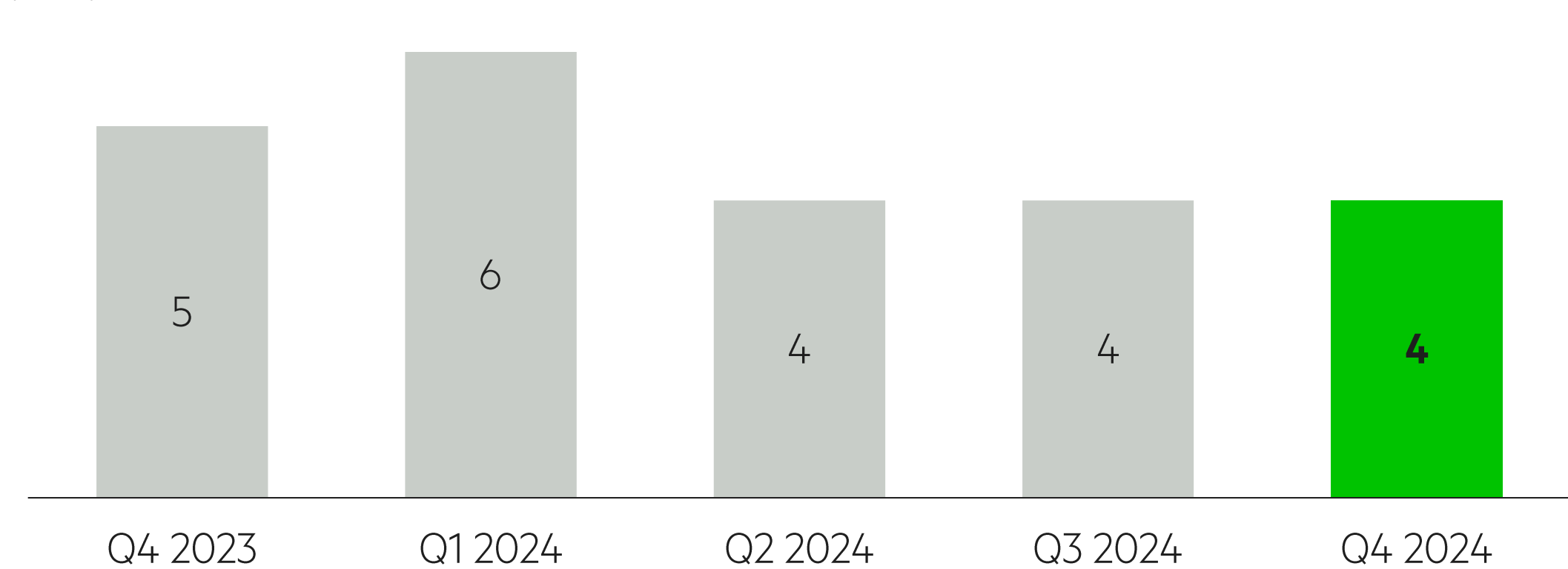
Key take-aways

- Business service revenues grew 3.1% y-on-y organically, driven by all segments. Growth rate temporarily softened, partly due to one-off
- Continued strong growth in SME, driven by all products
- LCE service revenue growth mainly driven by IoT and IT Services
- Tailored Solutions service revenues increased, driven by higher project-related business
- Solid commercial momentum in postpaid (+27k)
- NPS stable and remains leading in the Dutch market

Adj. Service Revenue trend



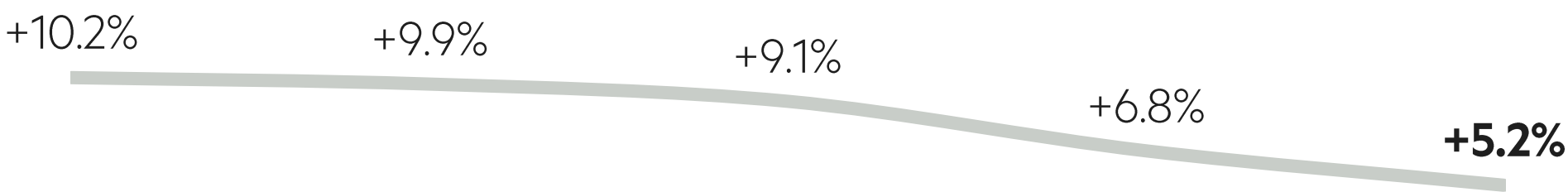
Industry-leading NPS¹



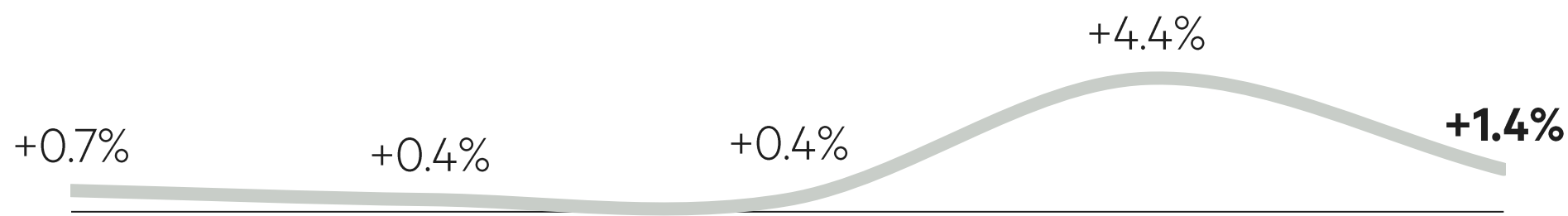
Segment revenues (€ m)	Q4 2023	Q4 2024	Δ y-on-y	Organic
SME	169	180	+6.5%	+5.2%
LCE	198	197	-1.0%	+1.4%
Tailored Solutions	80	82	+2.6%	+2.6%
Adj. Business service revenues	447	458	+2.5%	+3.1%
Non-service revenues & Other	28	27	-5.6%	-5.6%
Adj. Business revenues	475	484	+1.9%	+2.5%

B2B: Organic growth across the board

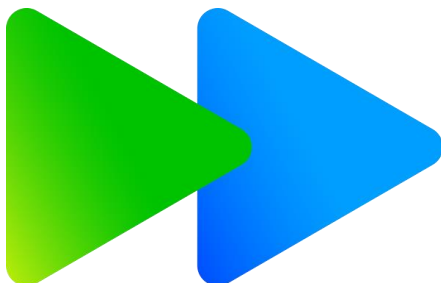
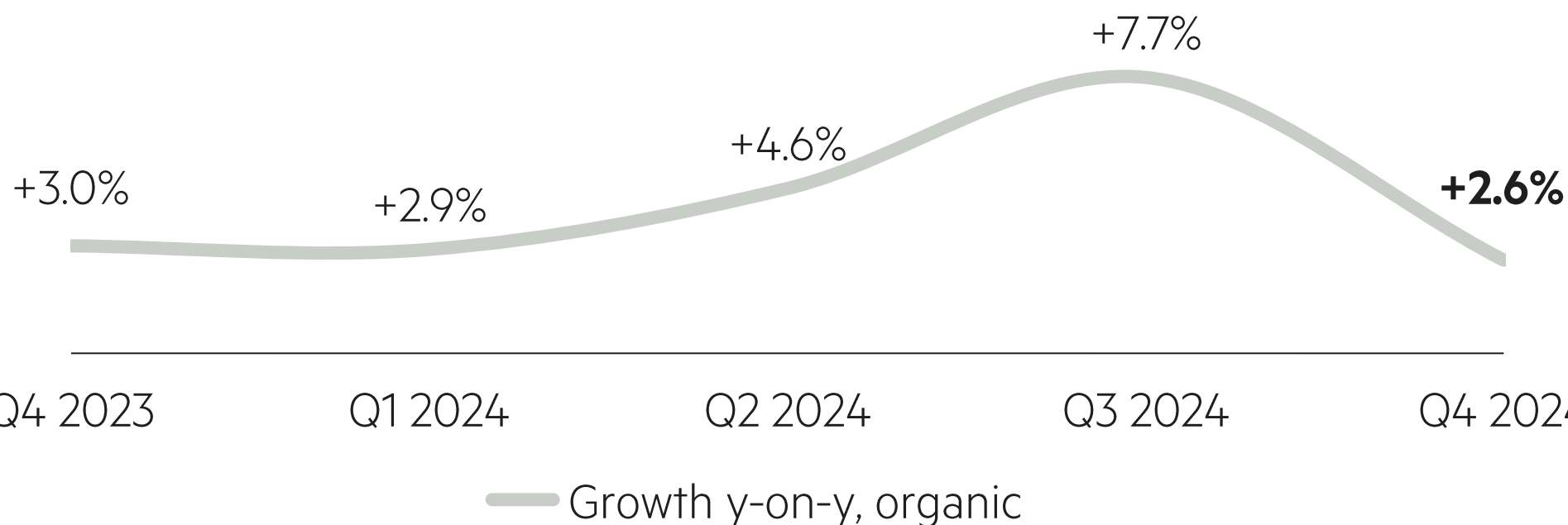
SME



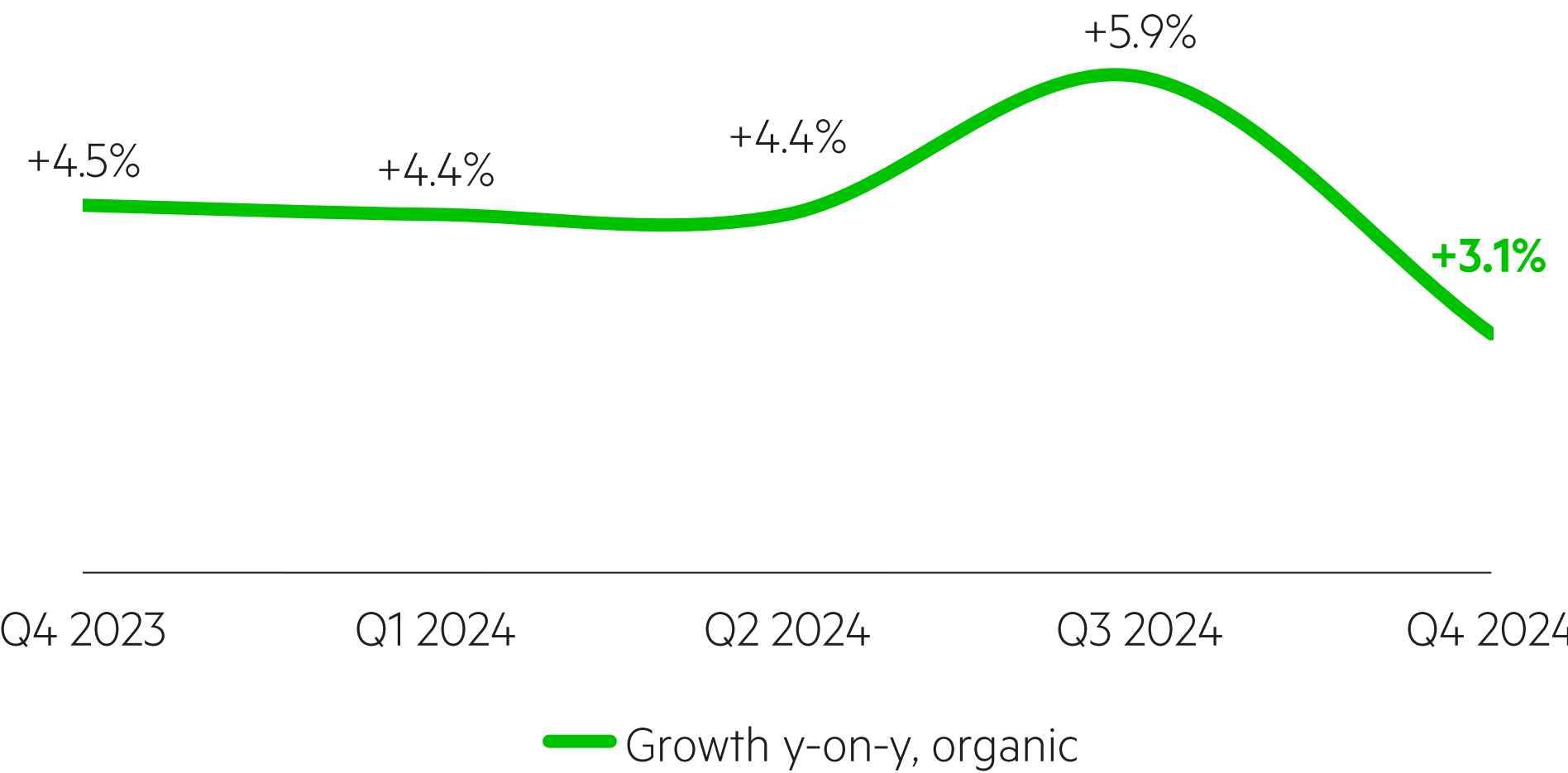
LCE



Tailored Solutions



Total adj. Business service revenues

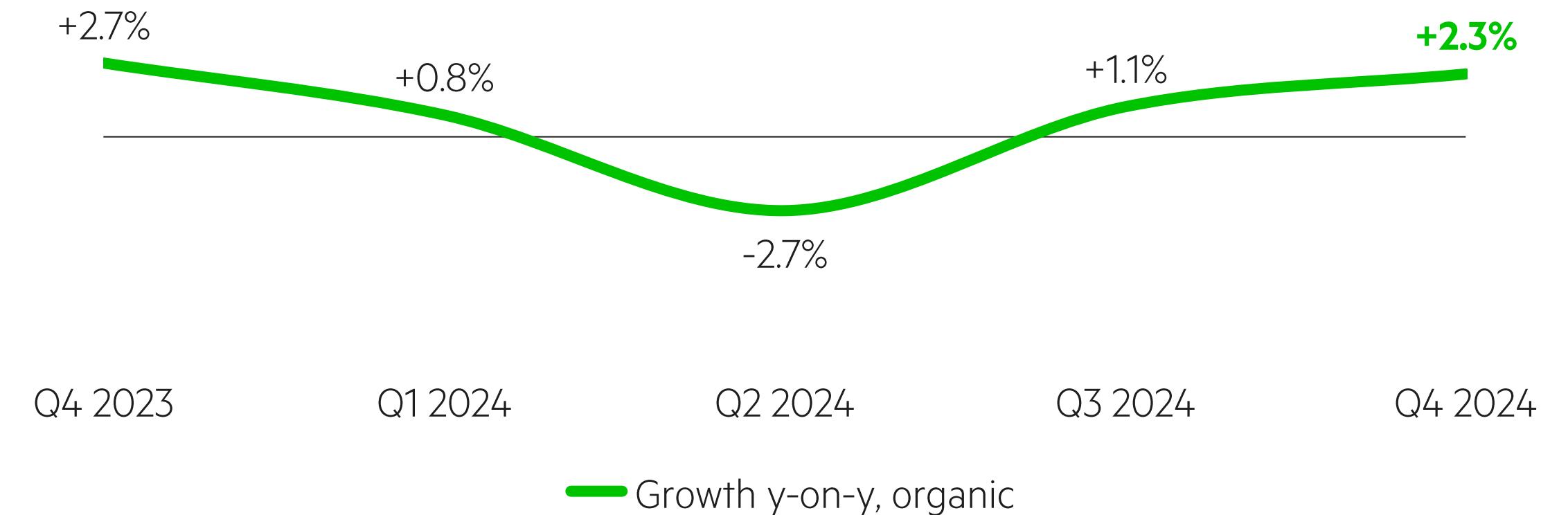


Wholesale: Service revenue growth driven by Mobile

Key take-aways

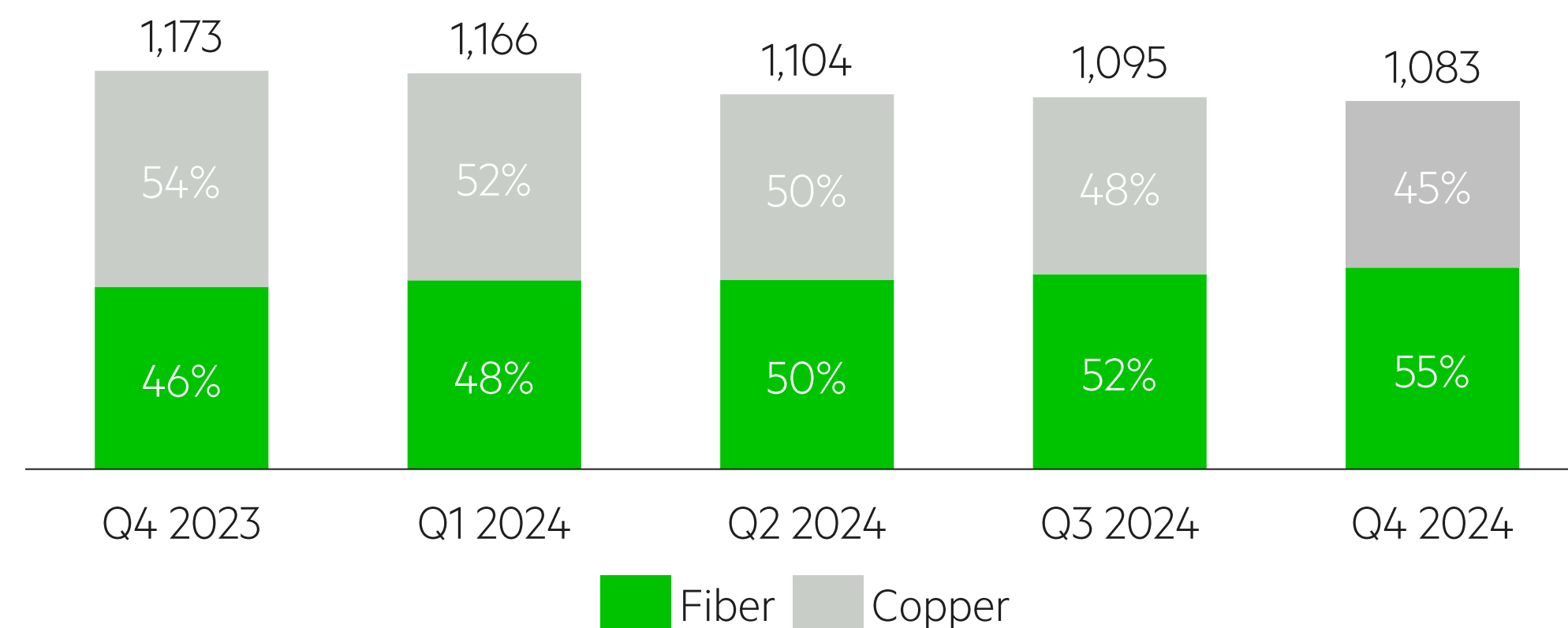
- Service revenues increased 2.3% y-on-y organically, driven by Mobile
- Broadband service revenues broadly stable y-on-y, with higher service sales to Glaspoort being offset by declining LTM base
- Mobile service revenues increased 21% y-on-y, driven by increased international sponsored roaming volumes
- Other service revenues declined, mainly due to a decrease in low-margin interconnect revenues (lower regulated tariffs and less traffic)

Adj. Service Revenue trend



Broadband customer base

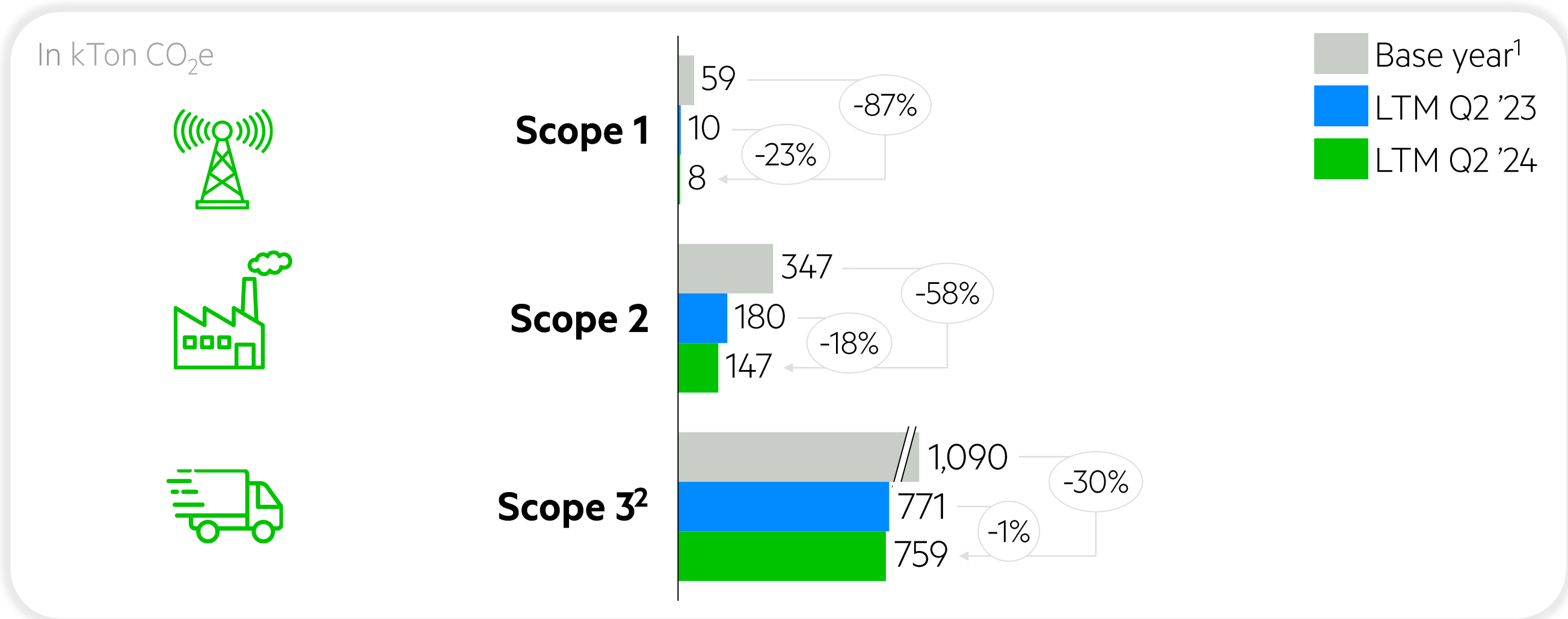
(k)¹



Segment revenues (€ m)

	Q4 2023	Q4 2024	Δ y-on-y	Organic
Broadband service revenues	81	77	-5.2%	-0.1%
o/w Fiber	37	39	+5.6%	+9.7%
o/w Copper	41	33	-19%	-13%
o/w Other	4	5	+37%	+37%
Mobile service revenues	43	40	-6.6%	+21%
Other service revenues	48	45	-6.6%	-6.6%
Adj. Wholesale service revenues	172	162	-5.9%	+2.3%
Non-service revenues & Other	0	1	>100%	>100%
Adj. Wholesale revenues	172	163	-5.5%	+2.8%

ESG dashboard: continued progress on ambitions



Scope 1 – Direct emissions

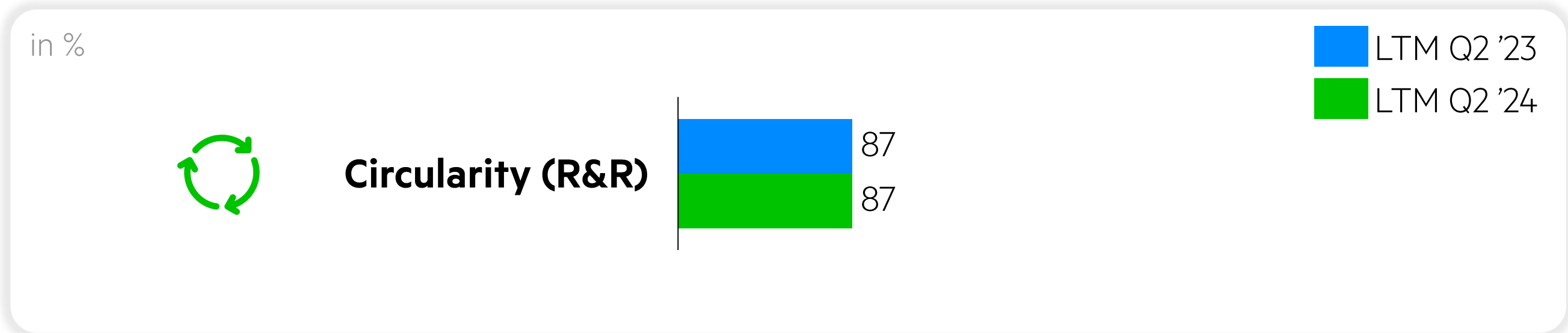
- Gross emissions, relating to fuel consumption car fleet, heating of buildings, consumption of coolants, fuel consumption of emergency power generators
- Ambition: 99% fossil fuel free cars added to company fleet in 2025

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

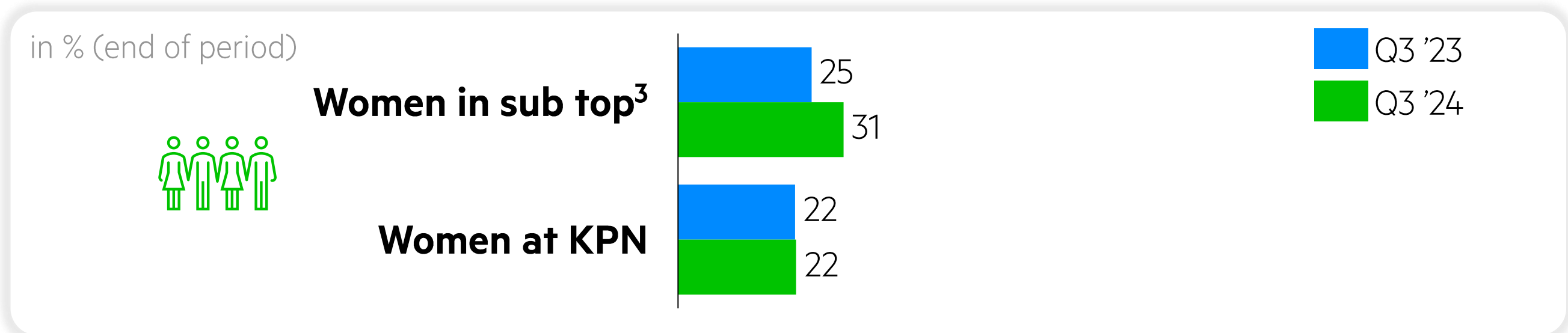
Scope 3 – Emissions in value chain

- 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. Scope 3 is measured from FY '22 to FY '23
3. Direct reports to Board of Management in management positions

Financial Performance



Summary: Q4 & FY 2024 results

Adjusted revenues

Q4 2024	FY 2024
€ 1,445m +1.7%	€ 5,634m +3.4%
Q4 2023 € 1,421m	FY 2023 € 5,448m

Adj. net indirect opex AL

Q4 2024	FY 2024
+€ 6m	+€ 53m

Adjusted EBITDA AL

Q4 2024	FY 2024
€ 630m +3.1%	€ 2,508m +3.6%
Q4 2023 € 611m	FY 2023 € 2,420m

Q4 adjusted revenues +1.7% y-on-y

- Driven by growth in Consumer and Business

Net profit

Q4 2024	FY 2024
€ 215m +4.3%	€ 847m +0.6%
Q4 2023 € 206m	FY 2023 € 843m

Liquidity position

FY 2024
€ 1.8bn
Cash & short-term investments: € 762m Committed undrawn facilities: € 1,075m

Leverage ratio

FY 2024
2.4x
FY 2023 2.3x

Q4 adjusted EBITDA AL +3.1% y-on-y

- Revenue increase partly offset by higher cost base

Capex

Q4 2024	FY 2024
€ 335m -2.4%	€ 1,255m +0.6%
Q4 2023 € 343m	FY 2023 € 1,248m

Operational Free Cash Flow

Q4 2024	FY 2024
€ 295m +10%	€ 1,253m +6.9%
Q4 2023 € 268m	FY 2023 € 1,172m

Free Cash Flow

Q4 2024	FY 2024
€ 358m +7.1%	€ 900m +1.6%
Q4 2023 € 334m	FY 2023 € 886m

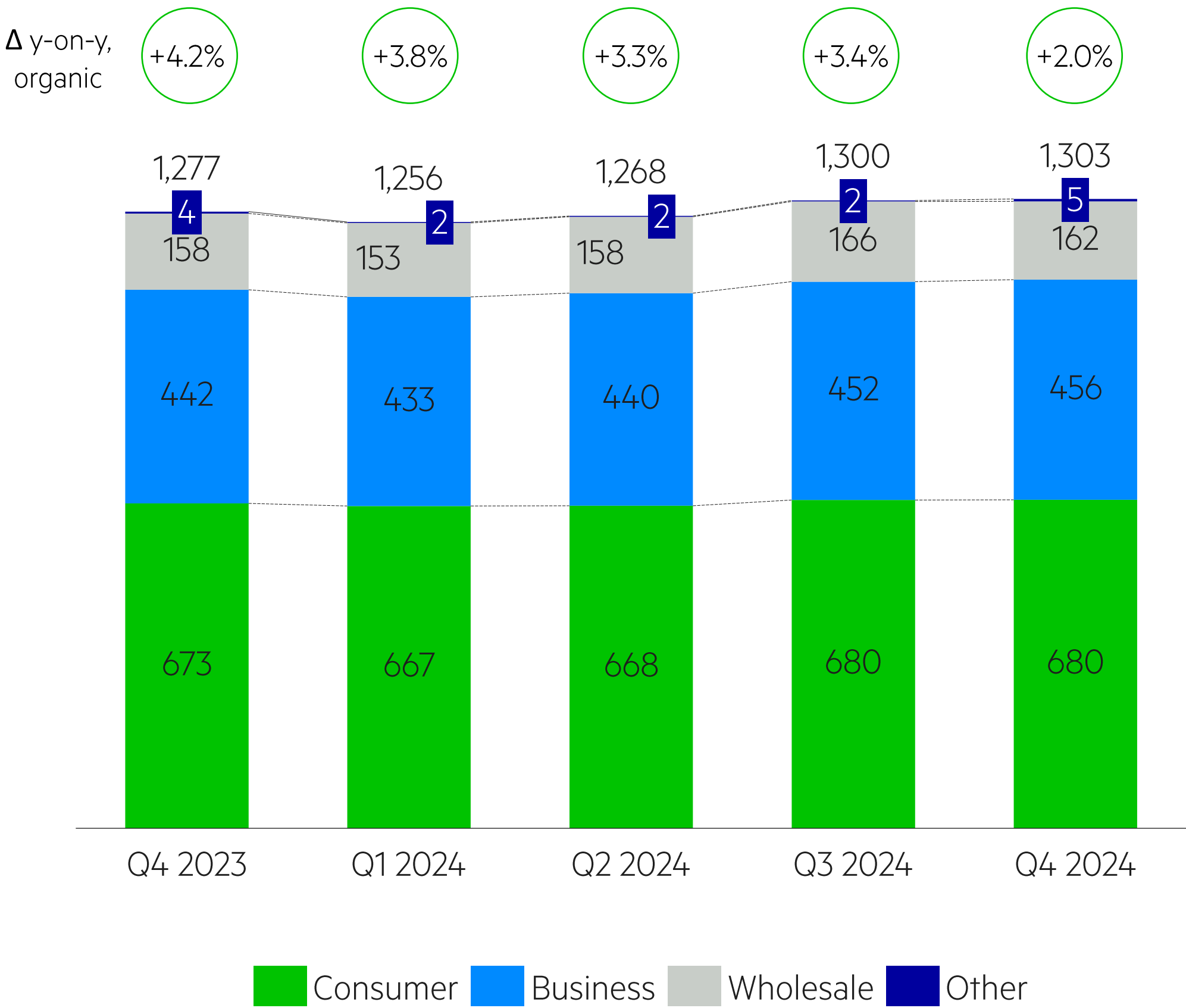
FY FCF of € 900m (+1.6% y-on-y)

- Driven by EBITDA growth

Continued Group service revenue growth, supported by all segments

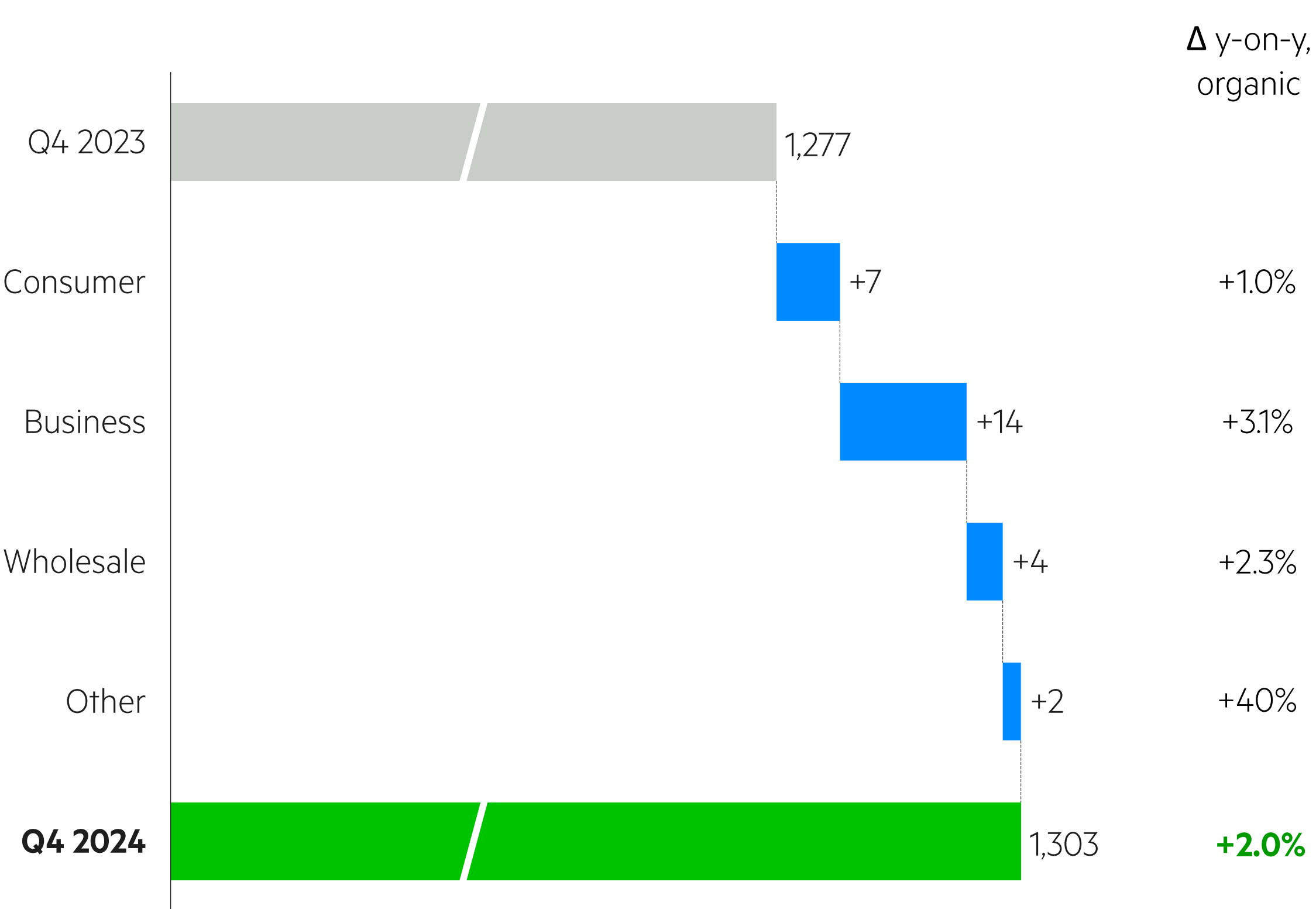
Continued Group service revenue growth

(€ m, organic)



Growth driven by all segments

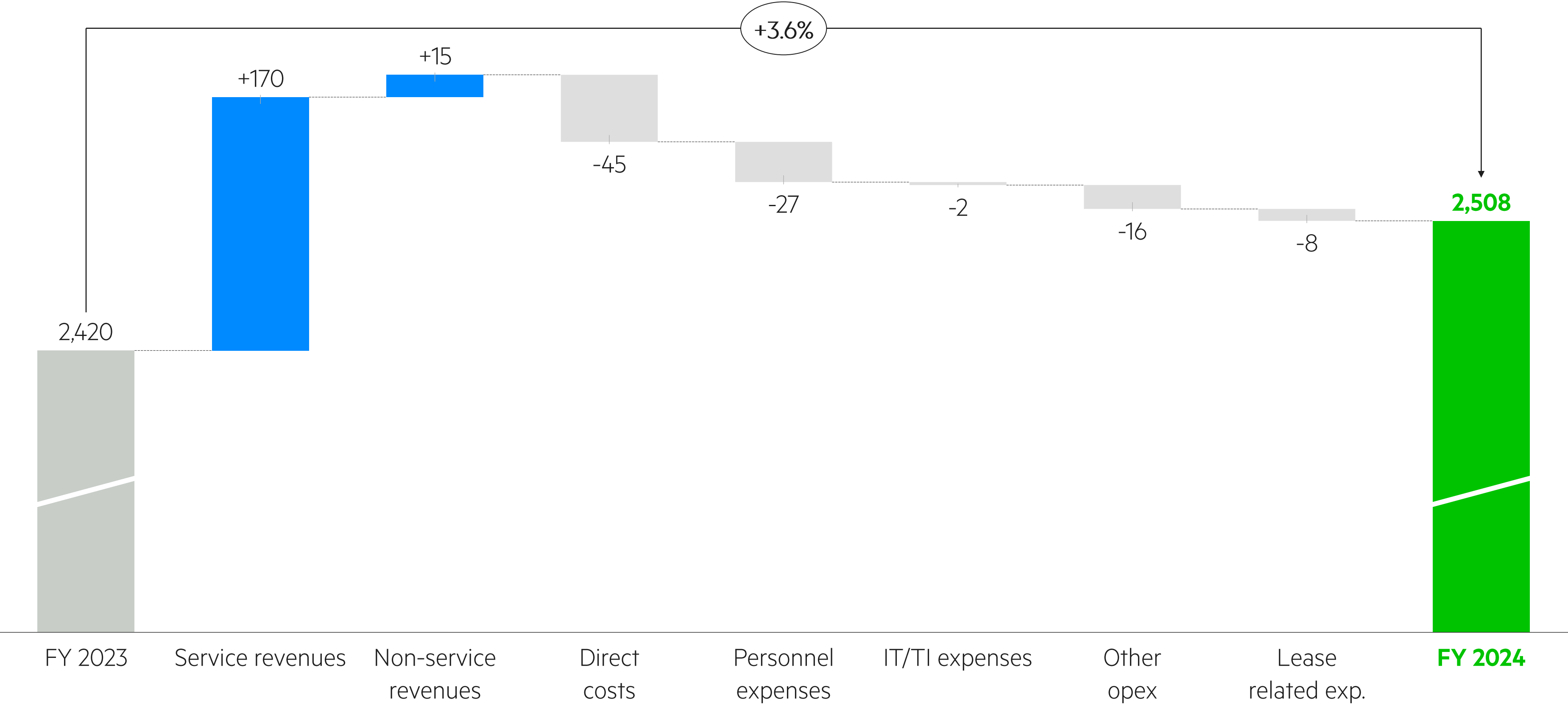
(€ m, organic)



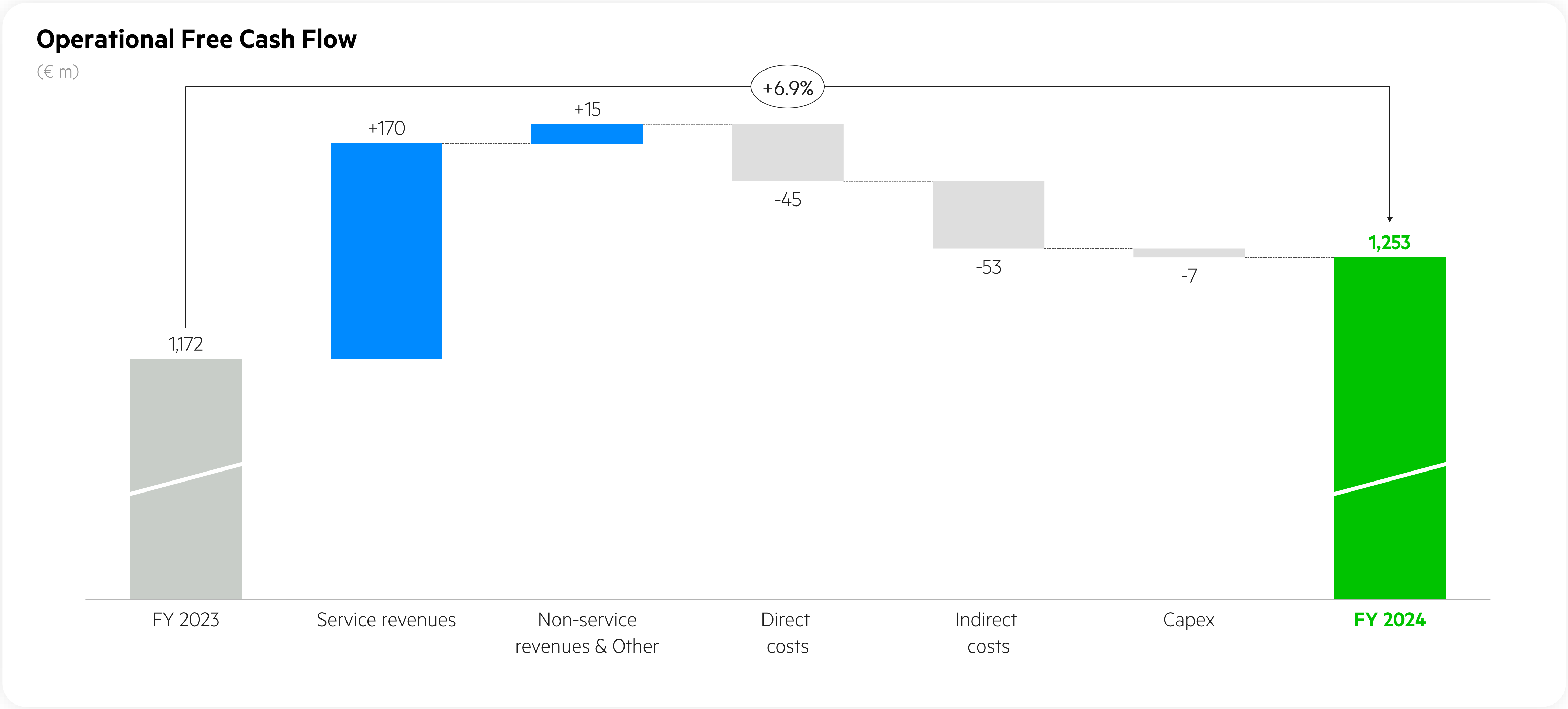
Adjusted EBITDA AL growth driven by higher revenues, partly offset by higher costs

Adjusted EBITDA AL

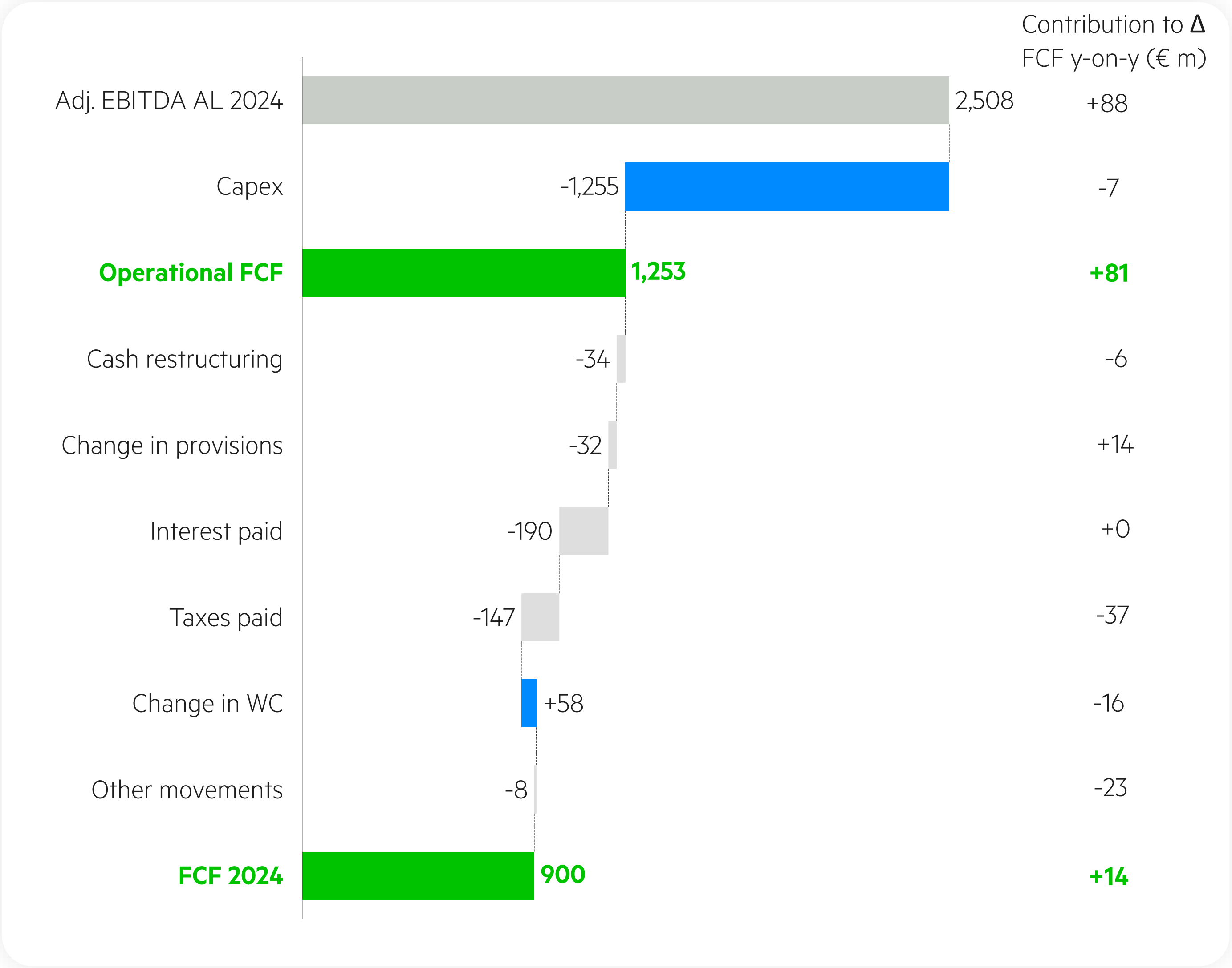
(€ m)



Continued solid Operational FCF growth, despite higher spend



FCF generation driven by solid operational performance



▶ **2024 FCF of € 900m**, 1.6% higher y-on-y, as higher EBITDA is partly offset by:

- Higher cash taxes
- Change in Working Capital

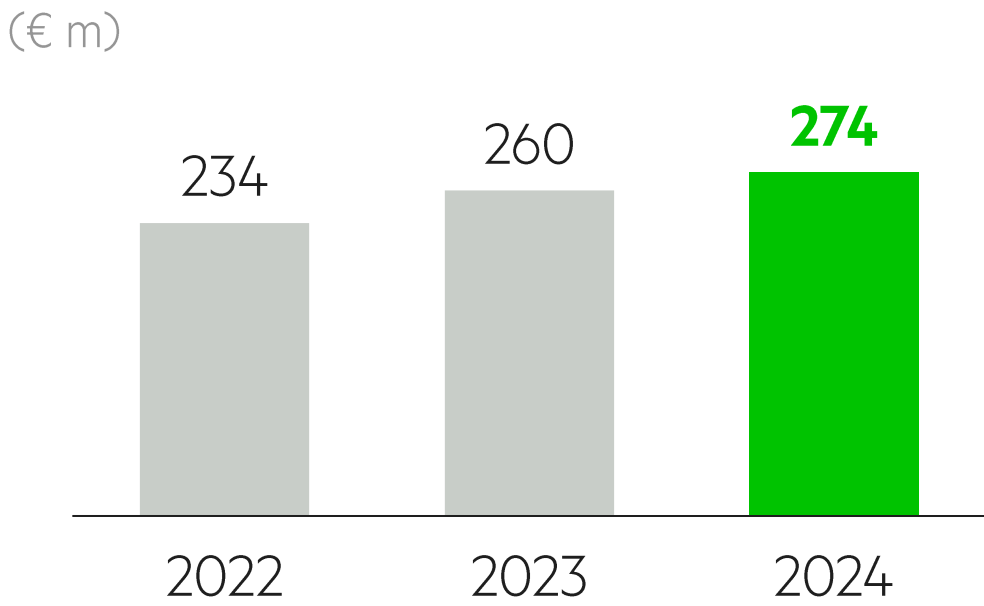
▶ Cash & short-term investments of **€ 762m** per 31 December 2024

(€m)	FY 2023	FY 2024	Δ y-on-y
Free Cash Flow	886	900	+1.6%
As % of adj. revenues	16.3%	16.0%	
Acquisitions & disposals	-35	-182	>100%
Change in short-term investments	-93	93	n.m.
Other investing cash flow	-51	-132	>100%
Dividends paid	-587	-646	+10%
Share repurchase	-300	-200	-33%
Other financing cash flow	405	221	-46%
Cash flow from discontinued operations	-16	-	-100%
Change in net cash & cash equivalents	210	53	-75%
Net cash & cash equivalents BoP	399	608	+53%
Change in net cash & cash equivalents	210	53	-75%
Net cash & cash equivalents EoP	608	662	+8.7%

Steadily improving Return on Capital

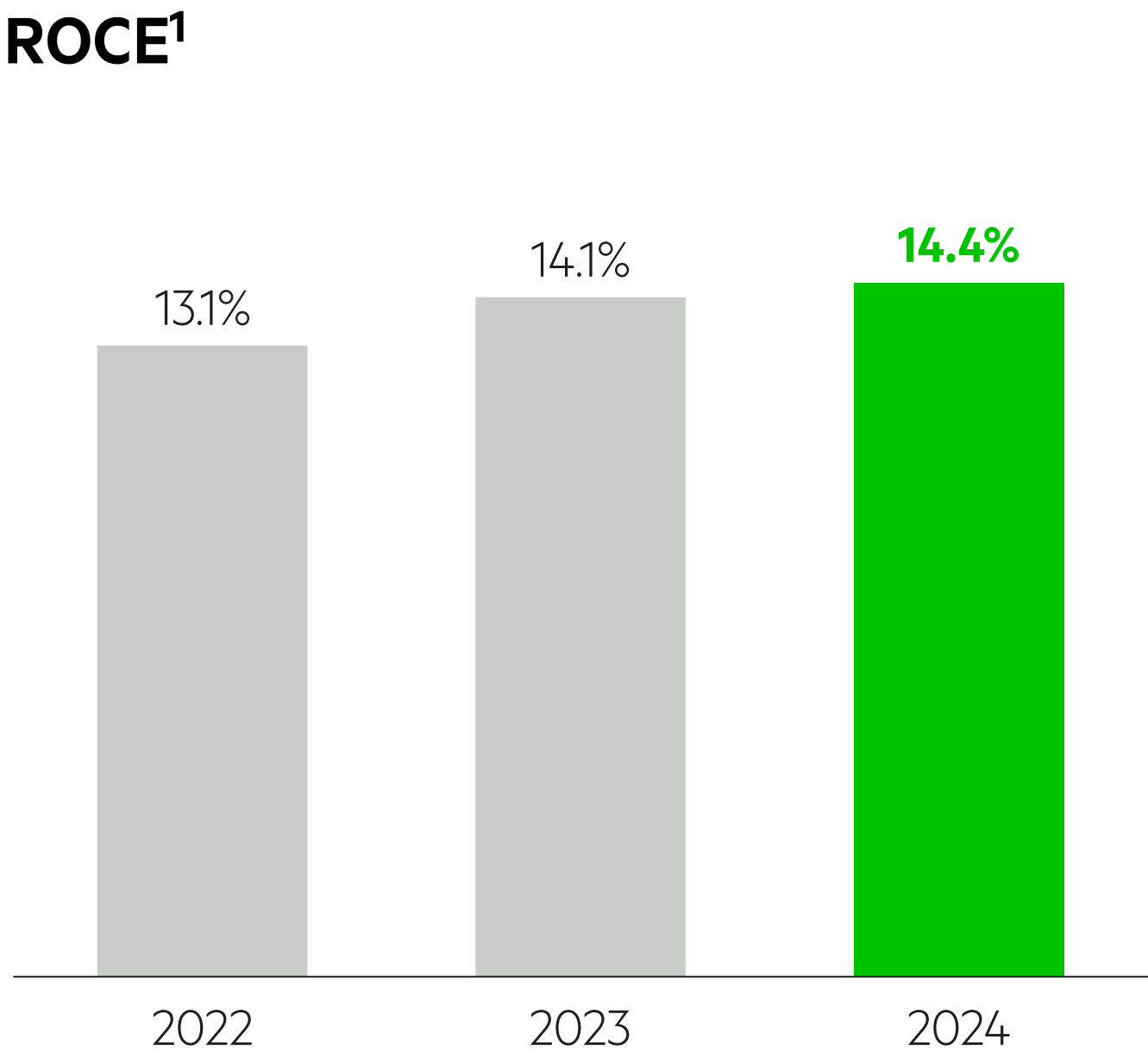
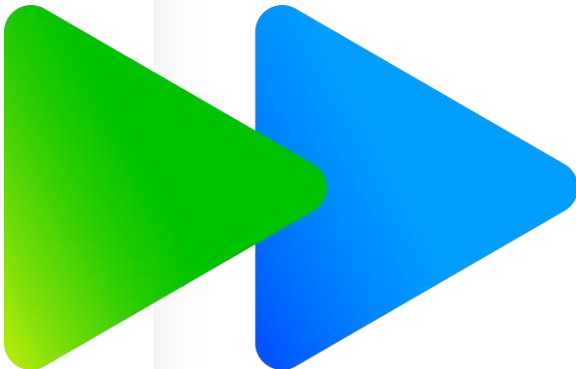
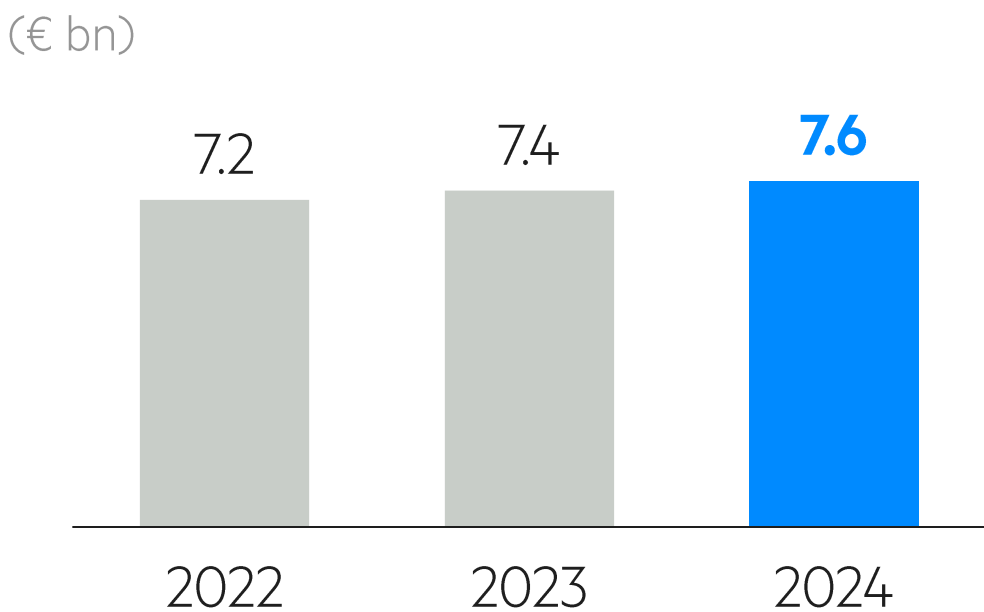
NOPLAT

- Improving adjusted EBITDA AL



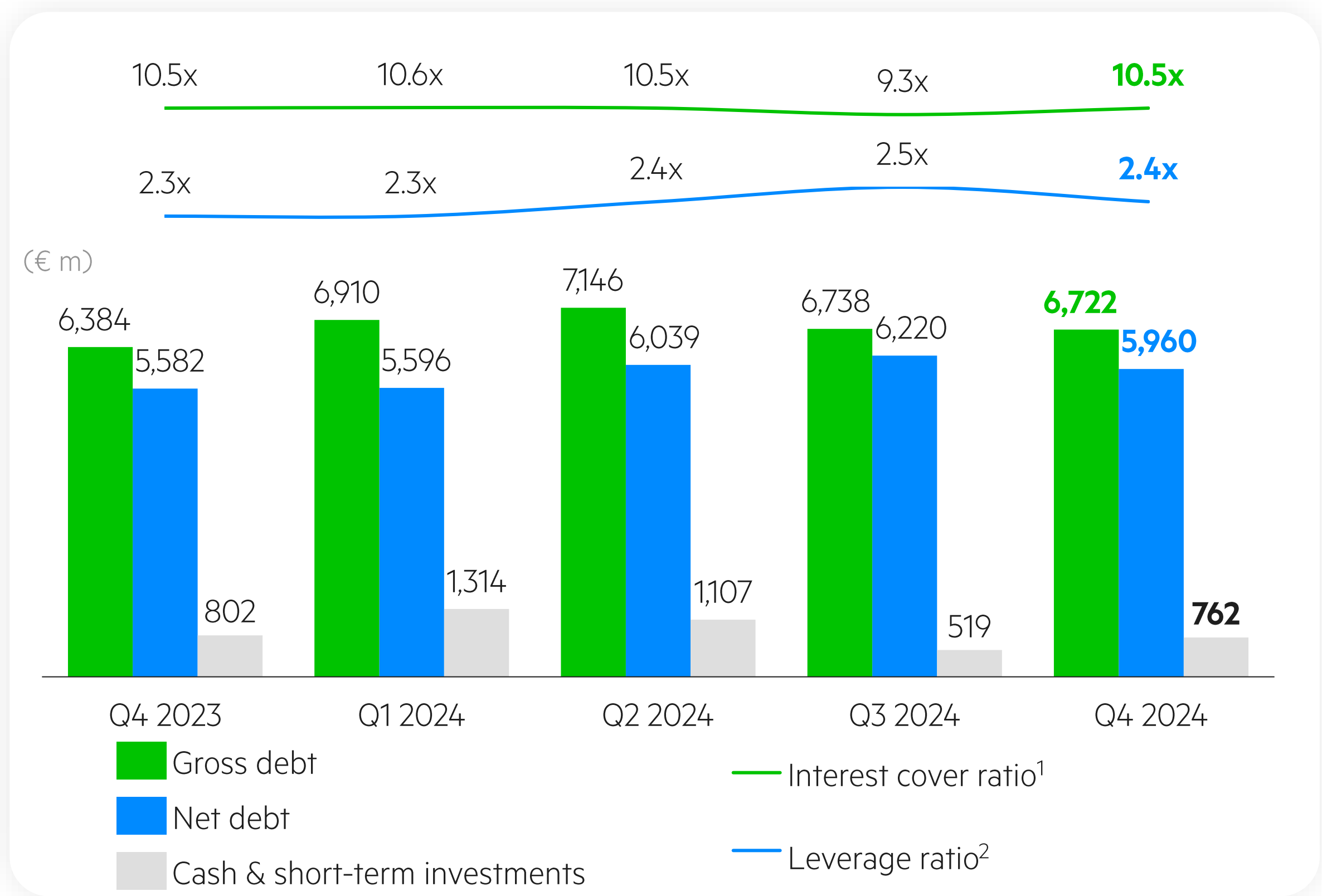
Capital Employed

- Increasing due to network investments

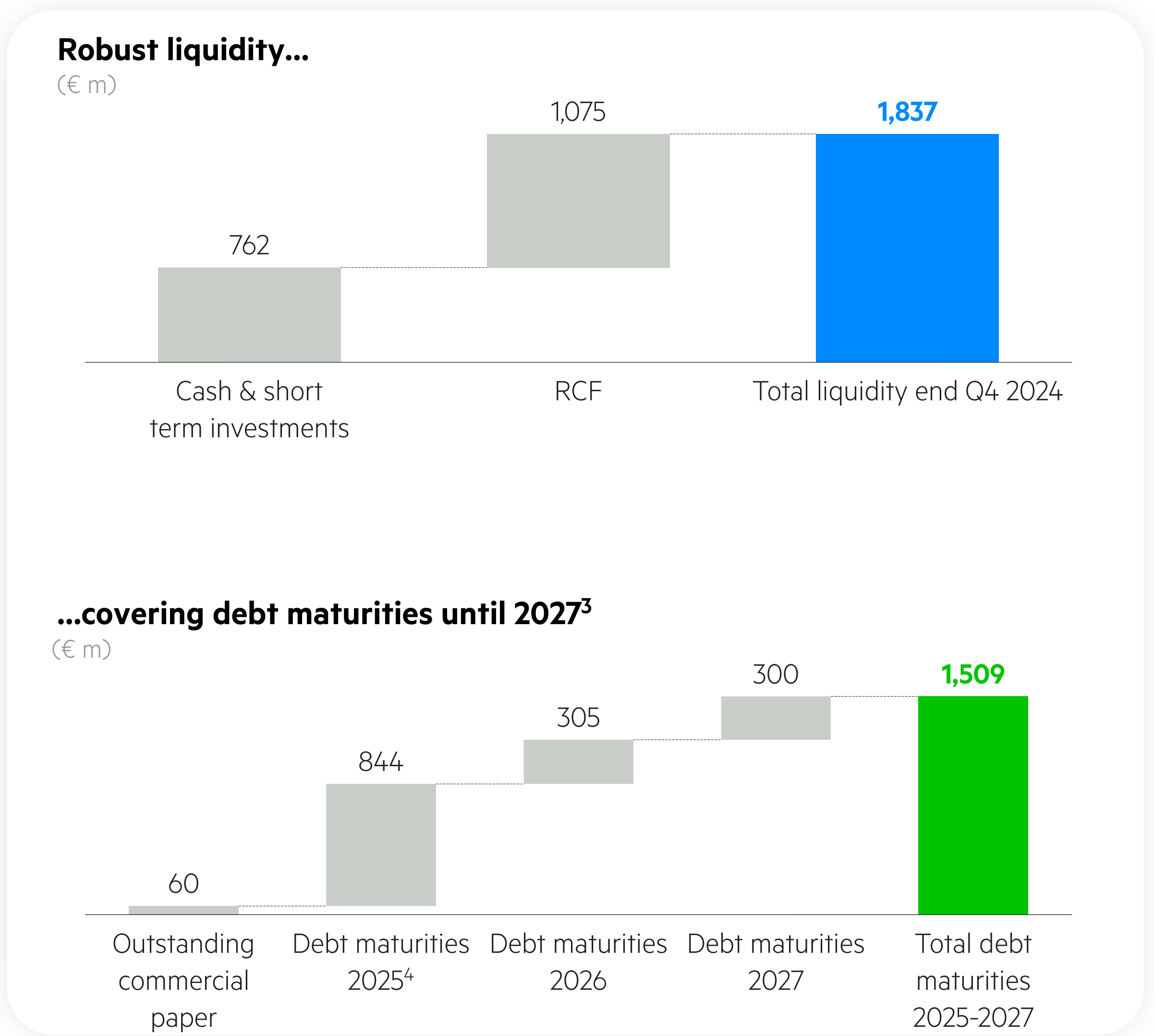


1. ROCE is calculated on a 4-quarter average rolling basis

Robust liquidity position, committed to investment-grade credit profile



- Stable Gross debt; Net debt € 260m lower q-on-q at € 6.0bn due to FCF generation
- Leverage ratio 0.1x lower q-on-q at 2.4x
- Strong liquidity position of € 1.8bn covering debt maturities until end 2027
- Average cost of senior debt 7bps lower q-on-q at 3.78% (-33bps y-on-y)



Outlook 2025 and ambitions 2027

Achievements FY 2024

Outlook FY 2025¹

Ambitions FY 2027²

Service revenues

+3.4%

~3%

~3% CAGR

Adj. EBITDA AL

€ 2,508m

~€ 2,580m

~3% CAGR

Capex

€ 1,255m

~€ 1.25bn

<€ 1.0bn

Free Cash Flow

€ 900m

~€ 910m

~7% CAGR

Growing DPS supplemented with share buybacks

Shareholder remuneration policy

Free Cash Flow returned to shareholders over 2024-2027 period

- 2024: payout of ~€ 860m
- **2025: intention to payout ~€ 950m**

Dividend step-up in 2024 (+13%)

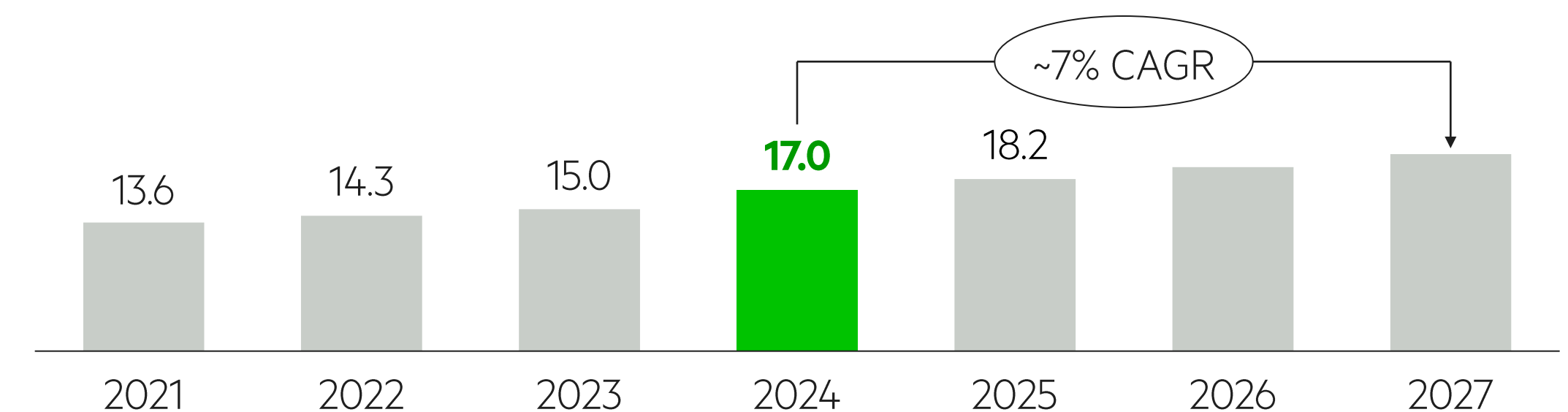
- **2025: DPS +7%**
- DPS growth 2024-2027: ~7% CAGR

Remainder returned through share buybacks

- 2024: € 200m completed
- **2025: intention to buy back € 250m of shares**
- Targeting cumulative SBB up to € 1.0bn (2024-2027)

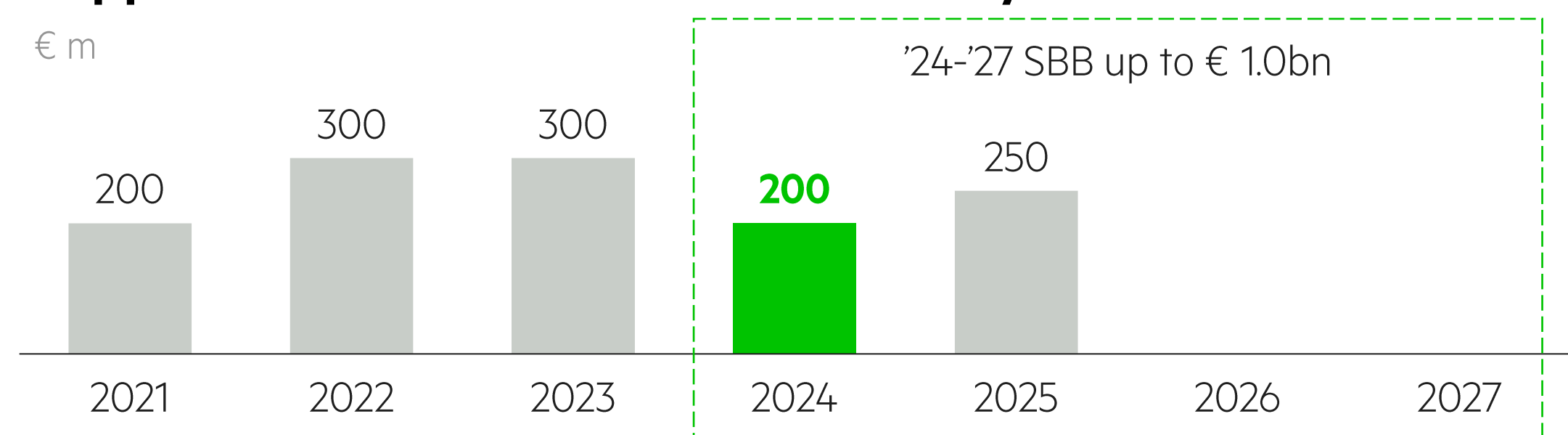
Committed to progressive dividend per share

€ ct



Supplemented with additional share buybacks

€ m



Highlights: KPN delivered on FY 2024 outlook; on track towards mid-term ambitions

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- ▶▶ **2025 outlook:** Service revenue growth ~3%, adj. EBITDA AL ~€ 2,580m, FCF ~€ 910m
- ▶▶ **7% DPS growth and € 250m share buyback**, returning all FCF to shareholders



Appendices

- I Tax
- II Debt portfolio

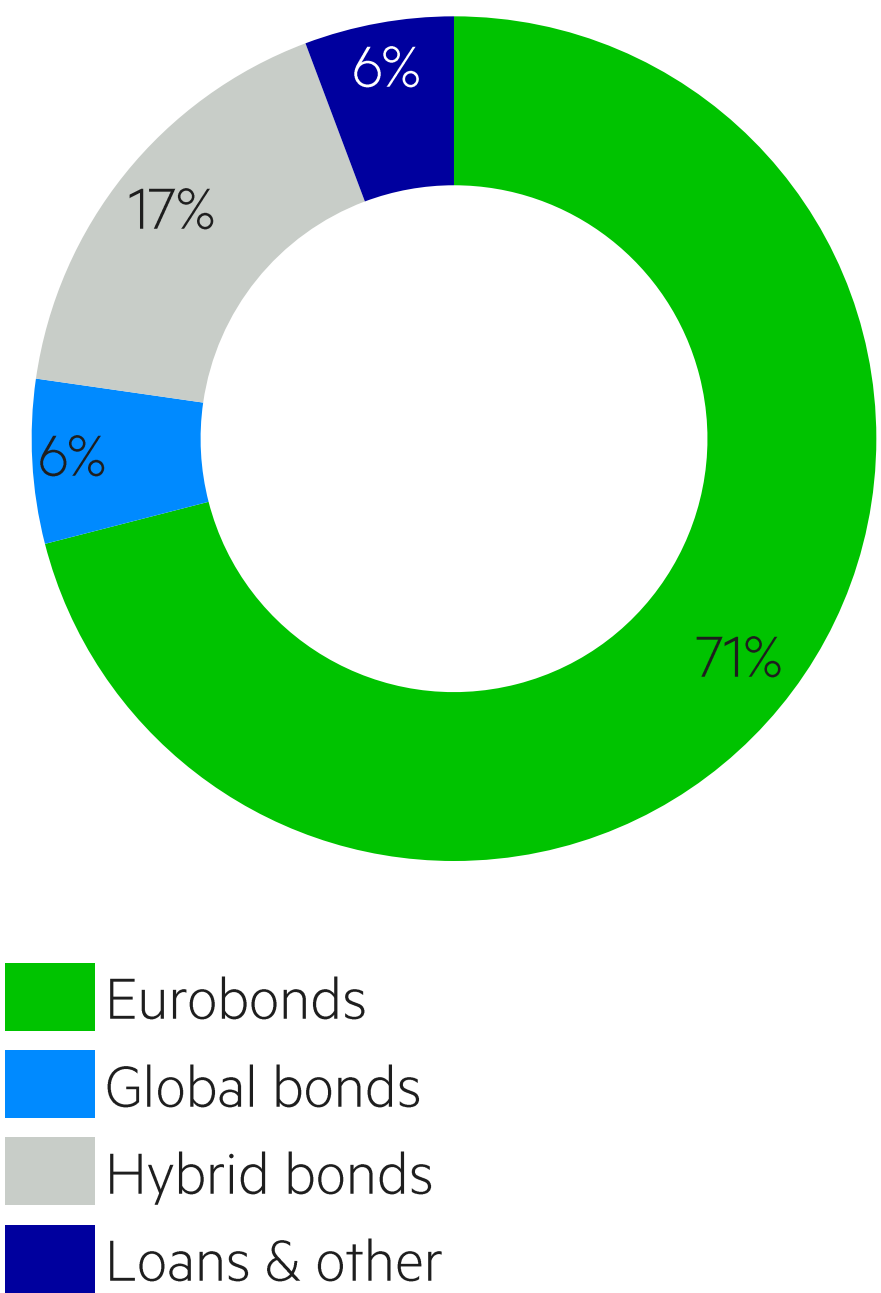
I. Tax Q4 & FY 2024

Regions (€ m)	P&L		Cash flow		P&L		Cash flow	
	Q4 2023	Q4 2024	Q4 2023	Q4 2024	FY 2023	FY 2024	FY 2023	FY 2024
The Netherlands	-55	-55	-41	-48	-245	-238	-110	-147
Other					-	-	-	-
Reported tax from continuing operations	-55	-55	-41	-48	-245	-238	-110	-147
Effective tax rate continuing operations	20.9%	19.9%			22.3%	21.7%		

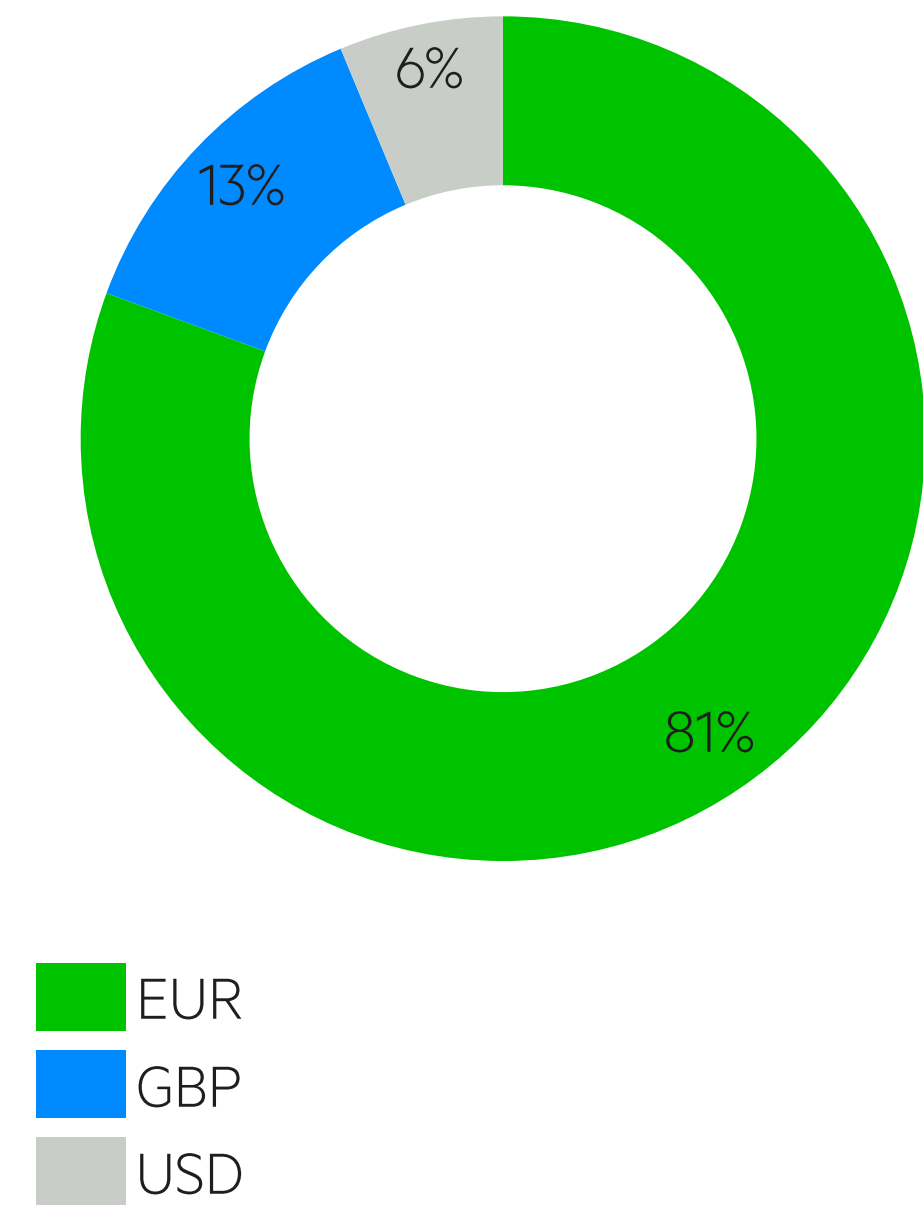
- The effective tax rate for 2024 was mainly influenced by the Innovation Box facility, one-off effects¹ and the tax effect of perpetual hybrid bonds. For 2024, the normalized tax rate is **~23%**
- Next to the operating tax cash flow stated above, an amount of € 15m was received related to investing activities (Glaspoort) in 2024 (€ 60m in 2023)

II. Debt portfolio

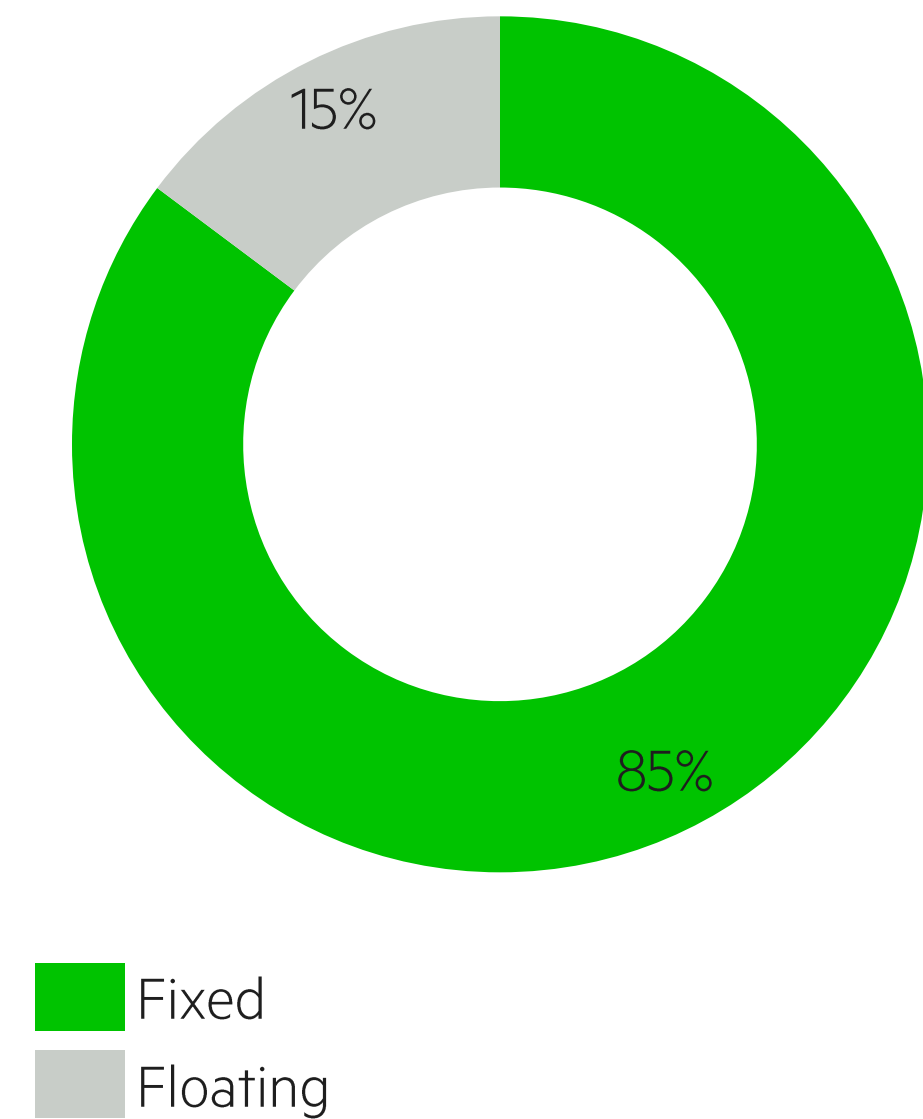
Nominal debt by type¹



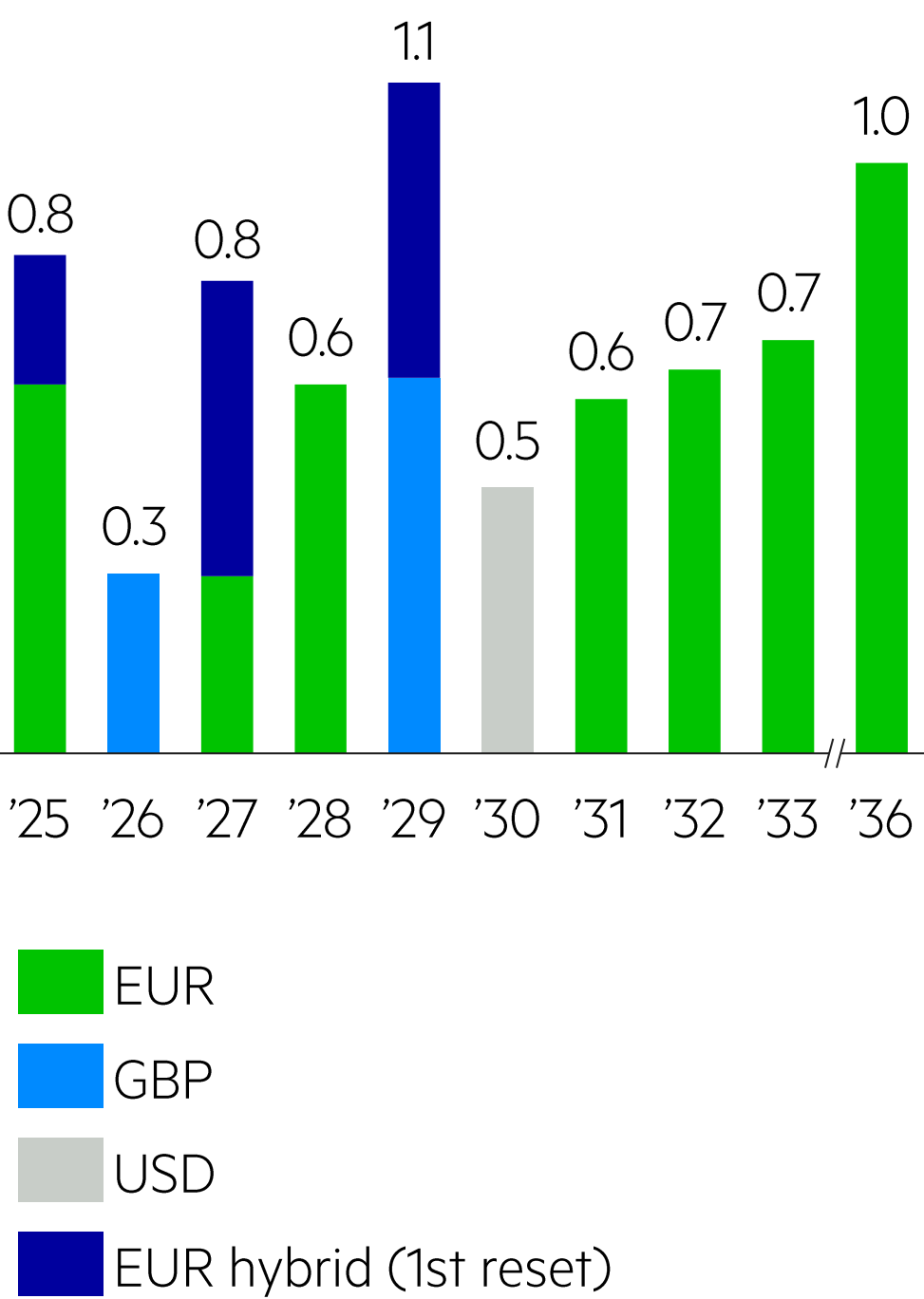
Nominal debt by currency¹



Fixed vs. floating interest¹



Debt redemption profile²



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



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