

# Connect Activate Grow



**Q1 2025  
results**

**24 April 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 2024. 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 2024 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](https://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 2024. 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 delivers solid start to the year

- ▶▶ **Continued Group service revenue growth** +3.8% y-on-y, of which +0.7% Youfone
- ▶▶ **Consumer service revenue grew** 4.6% y-on-y, of which +3.4% Youfone
- ▶▶ **Business service revenue grew** 5.1% y-on-y, driven by SME and Tailored Solutions
- ▶▶ **Adj. EBITDA AL** +4.7% y-on-y, of which +0.9% Youfone and +0.7% Althio
- ▶▶ **FCF** impacted by higher interest and tax payments and phasing of working capital
- ▶▶ **KPN leading the Dutch fiber market**, adding 100k HP incl. GP and 94k HC
- ▶▶ **KPN's mobile network** with highest score worldwide by Umlaut
- ▶▶ **Tower Company Althio** started its operations
- ▶▶ **Reiterating** our upgraded full-year 2025 outlook from mid-February

# 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%**

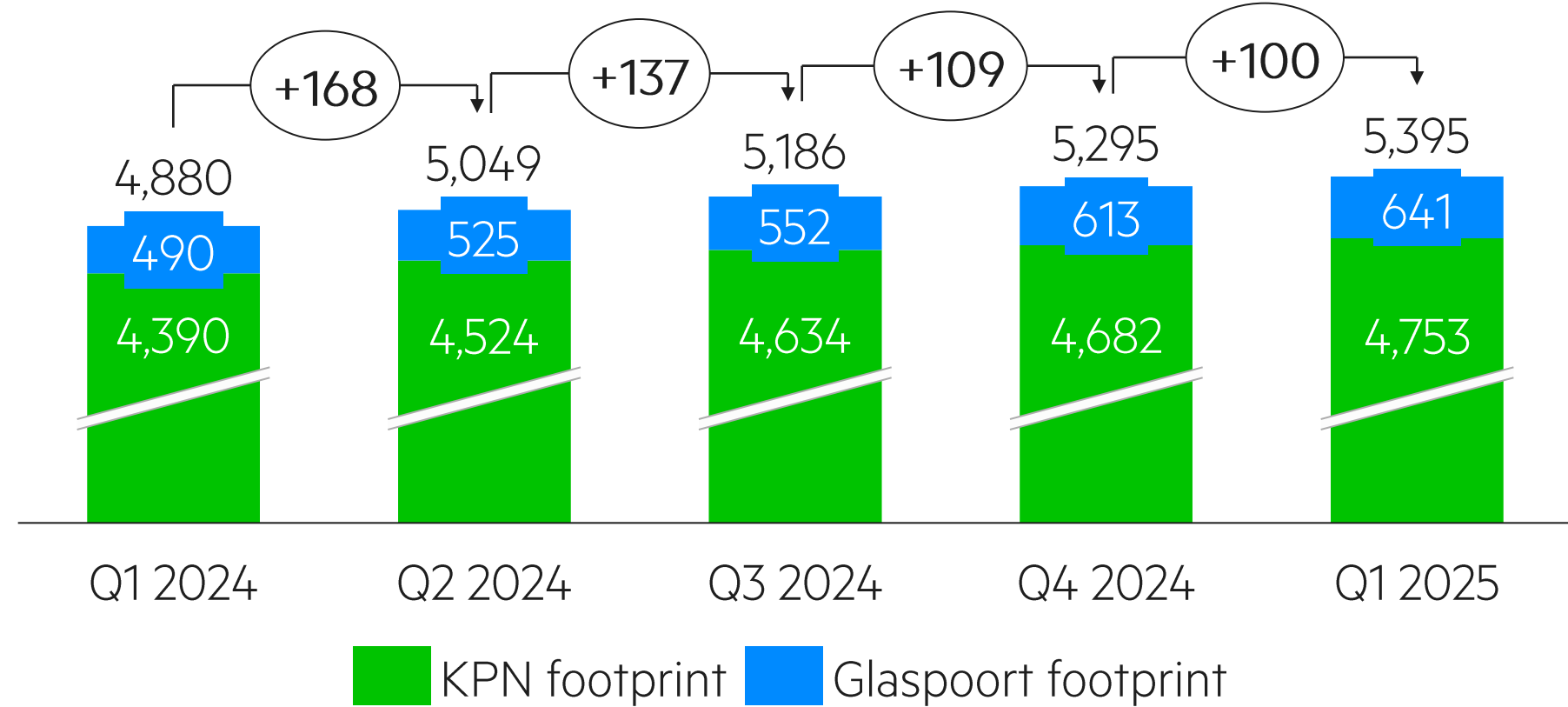


**Connect,  
Activate &  
Grow**

# Fiber engine running

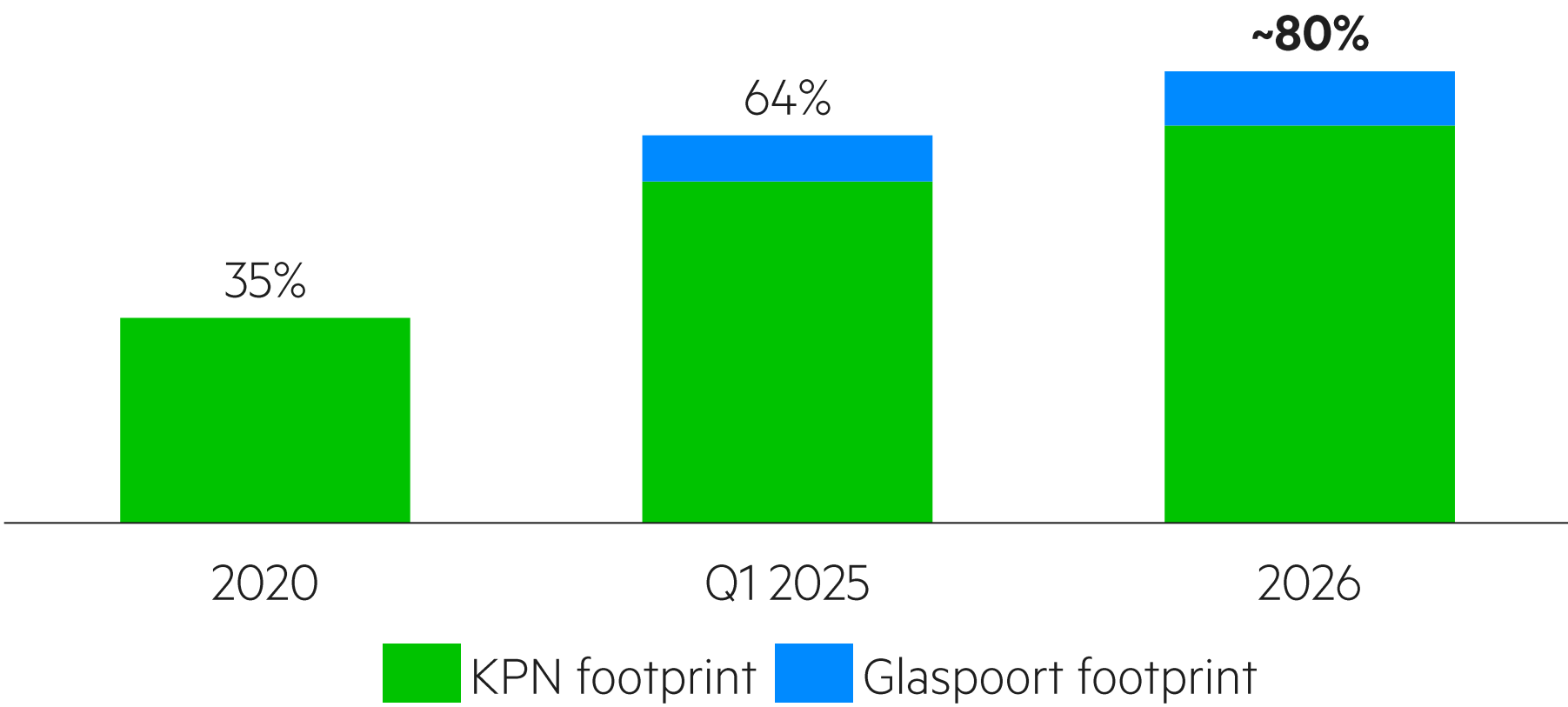
## Continuously expanding fiber footprint

Homes passed (k)



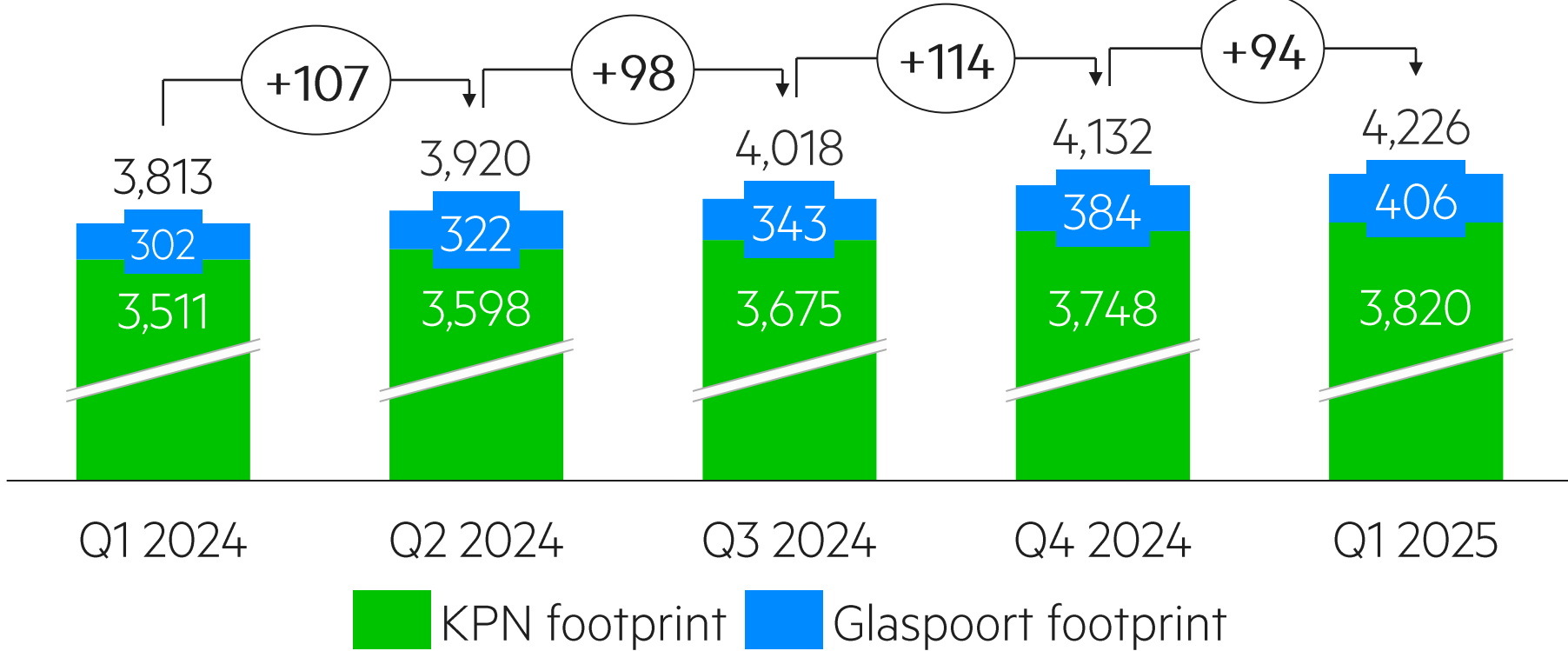
## Leading fiber footprint

Homes passed as a % of Dutch households

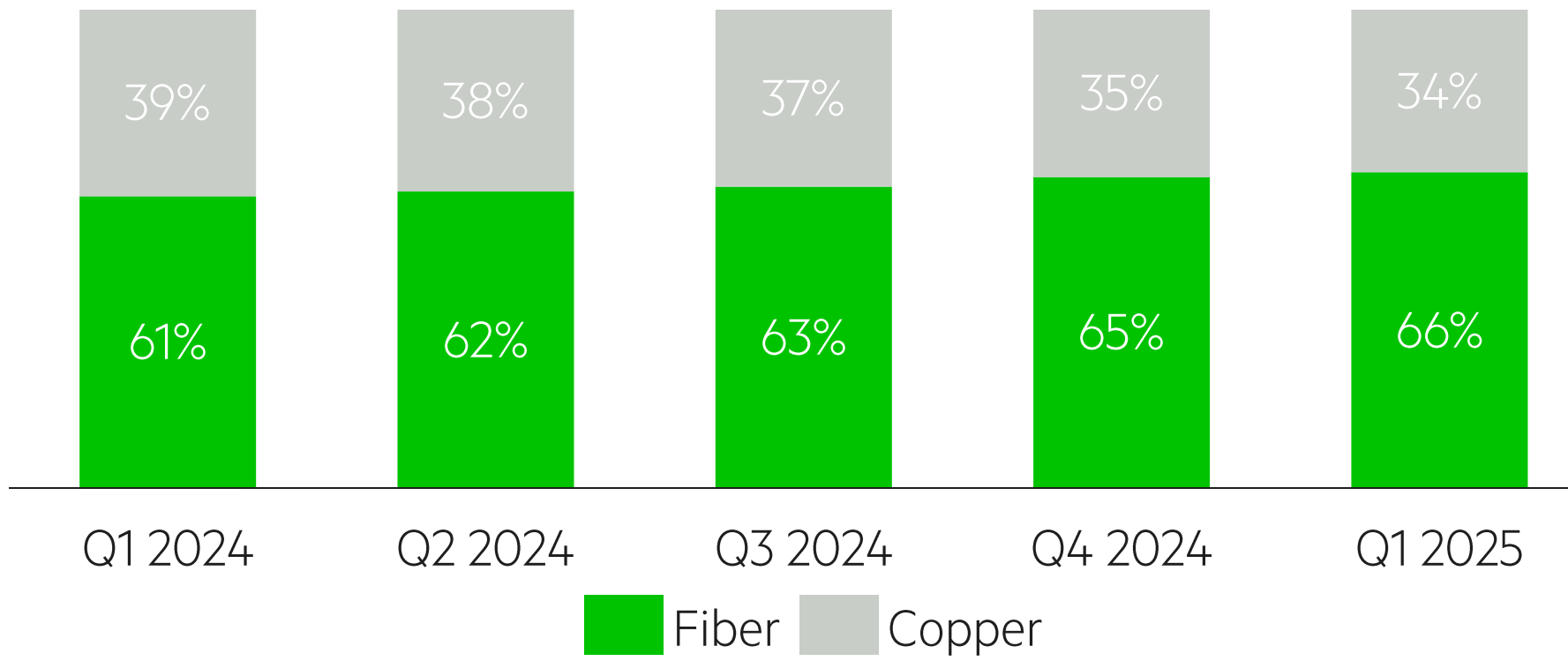


## Solid progress on fiber homes connected

Homes connected (k)



## B2C broadband customer base mix



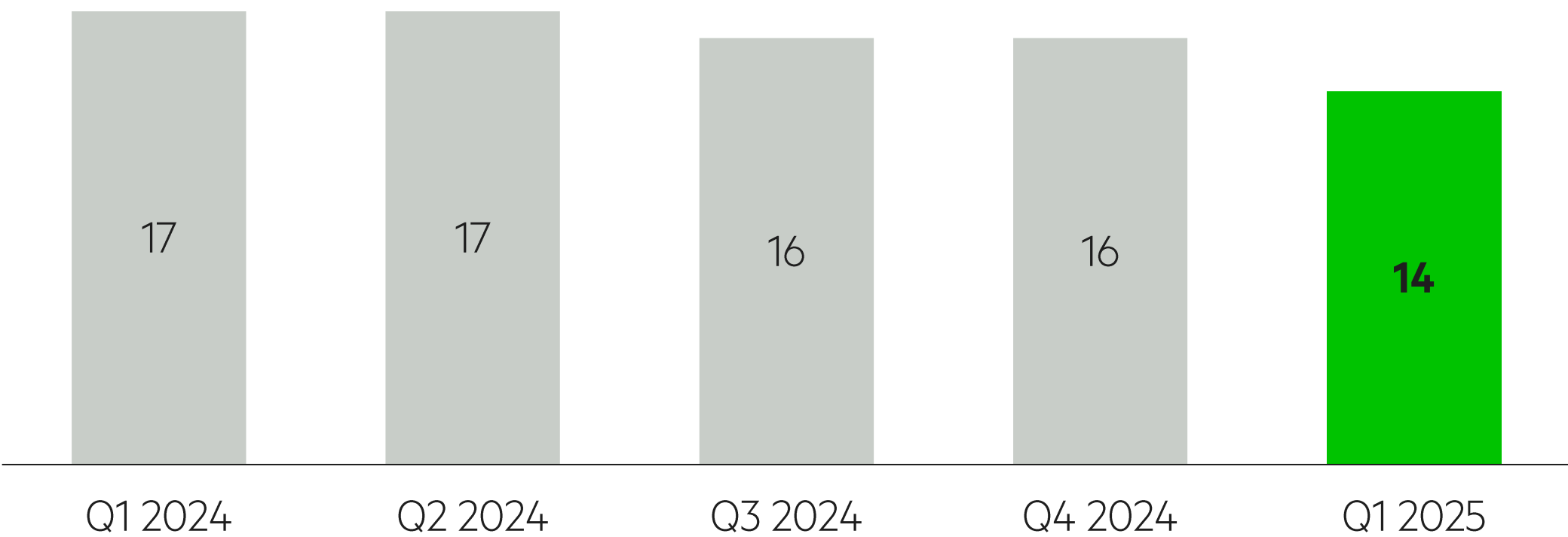
# B2C: Service revenue trend slightly improved

## Key take-aways

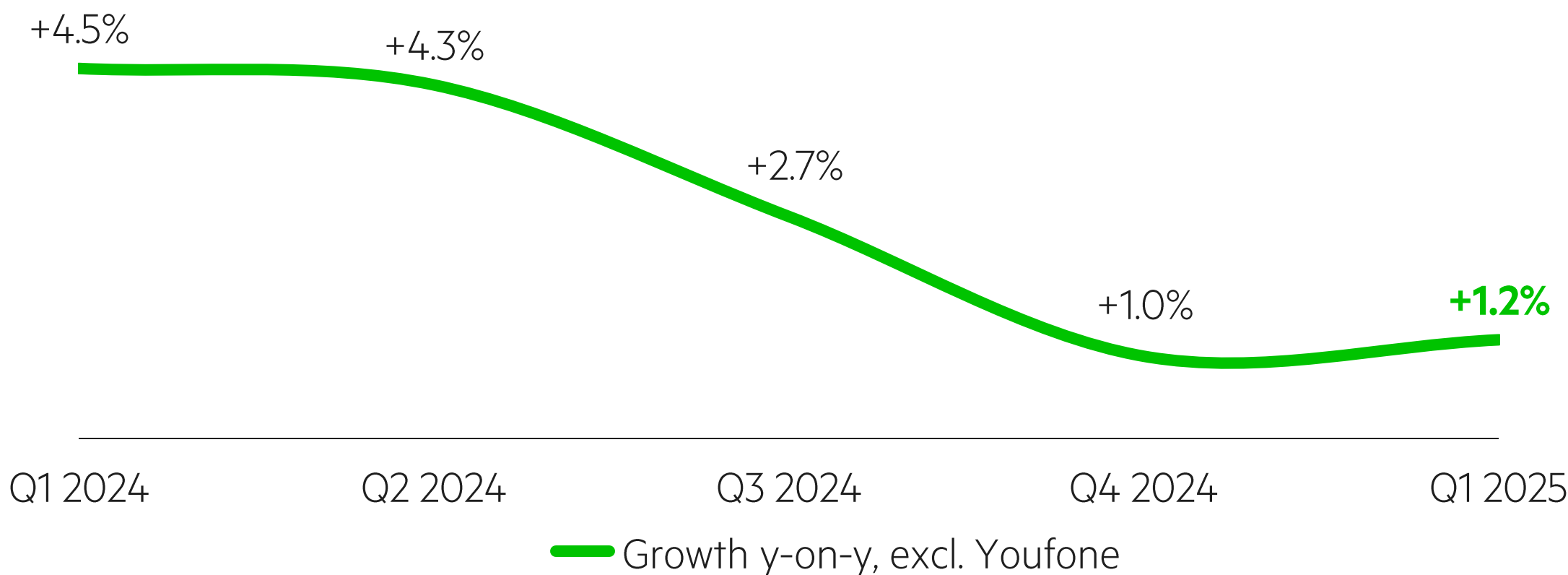
- Consumer service revenues grew 1.2% y-on-y excl. Youfone, driven by Mobile and Fixed
- Mobile service revenue trend improved, driven by base growth
- Fixed service revenues supported by solid fiber broadband service revenue growth
- Household focus with 60% of Fixed households using a converged offer
- Ongoing positive net adds in postpaid (+21k) and broadband (+2k<sup>1</sup>)
- NPS declined, influenced by a challenging consumer sentiment; however, trends improved during the quarter

## NPS<sup>2</sup>

(YTD)



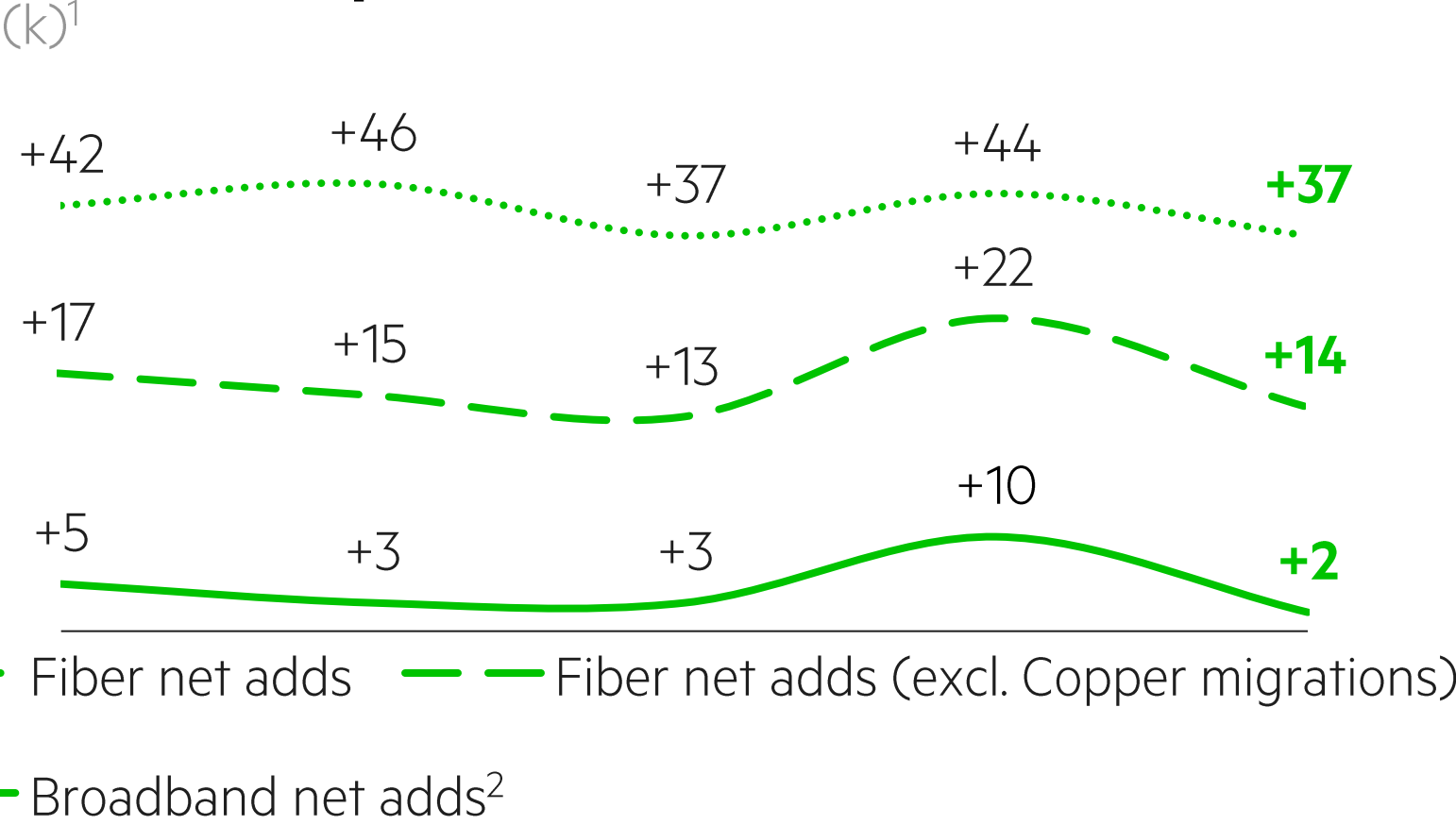
## Adj. Service Revenue trend



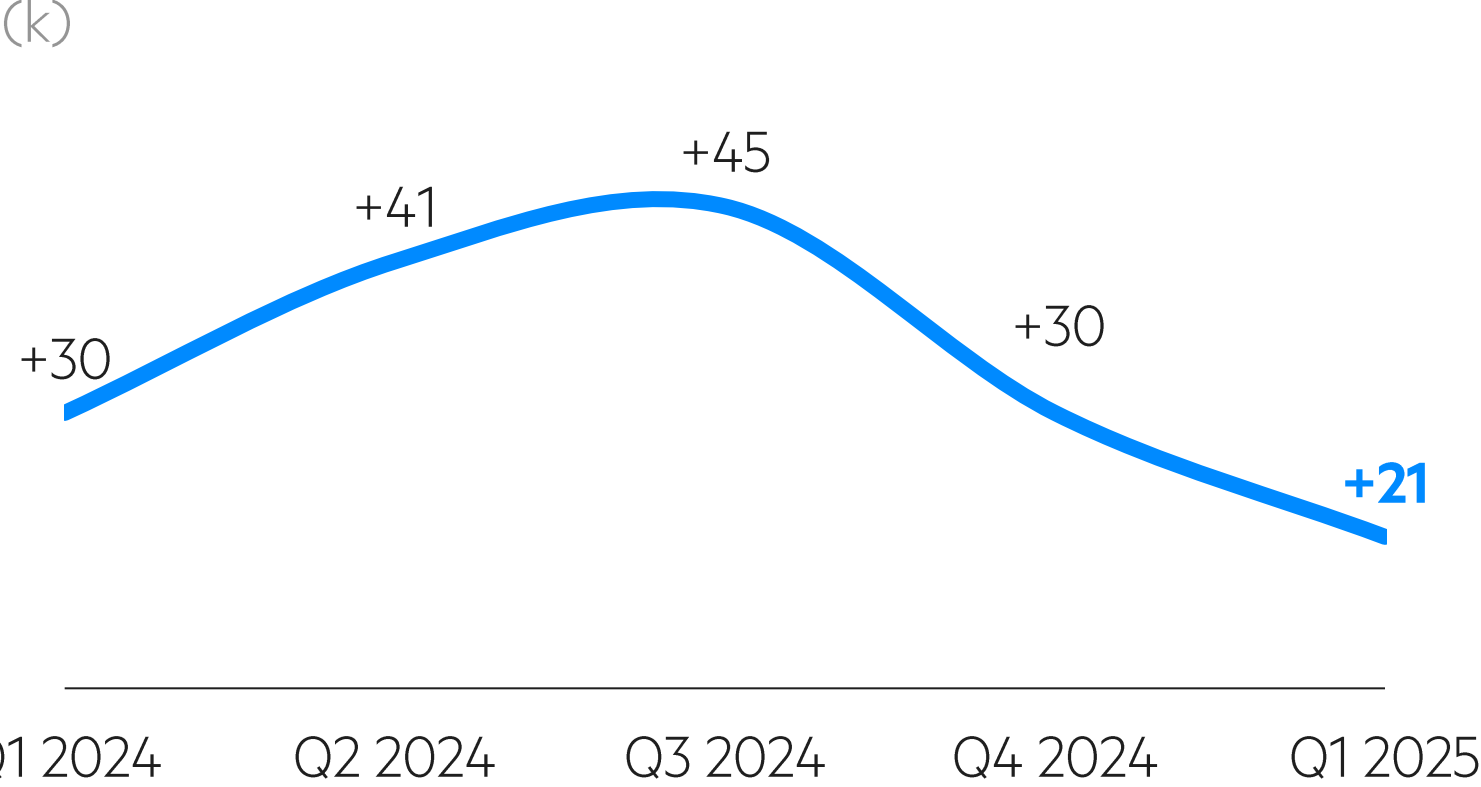
| Segment revenues (€ m)         | Q1 2024 | Q1 2025 | Δ y-on-y | Excl. YF |
|--------------------------------|---------|---------|----------|----------|
| Fixed service revenues         | 463     | 473     | +2.2%    | +0.7%    |
| o/w Fiber broadband            | 275     | 308     | +12%     | +11%     |
| o/w Copper broadband           | 175     | 154     | -12%     | -14%     |
| o/w Other Fixed                | 13      | 11      | -15%     | -15%     |
| Mobile service revenues        | 204     | 225     | +10%     | +2.3%    |
| Adj. Consumer service revenues | 667     | 698     | +4.6%    | +1.2%    |
| Non-service revenues & Other   | 70      | 67      | -4.7%    | -4.7%    |
| Adj. Consumer revenues         | 737     | 764     | +3.7%    | +0.7%    |

# B2C: Ongoing positive net adds; Mobile service revenue trend improved

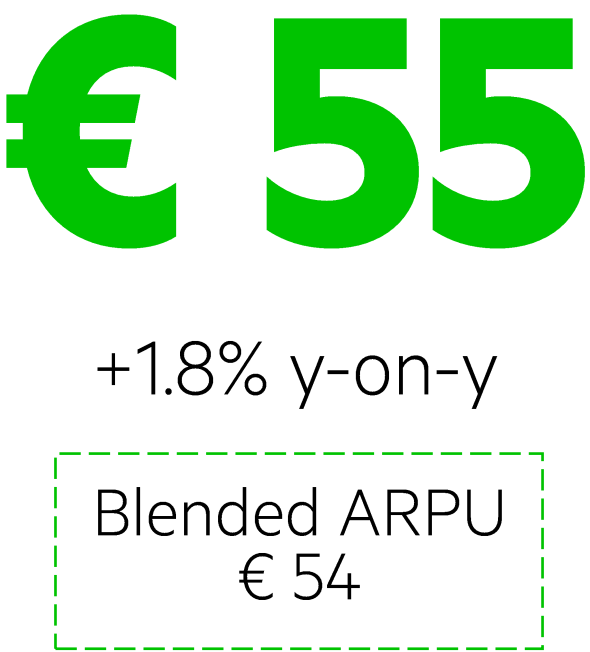
## Continued positive net adds in broadband



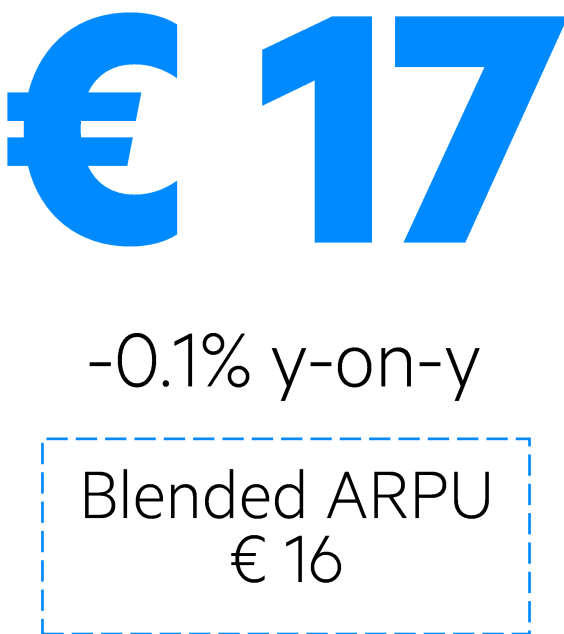
## Continued positive net adds in postpaid



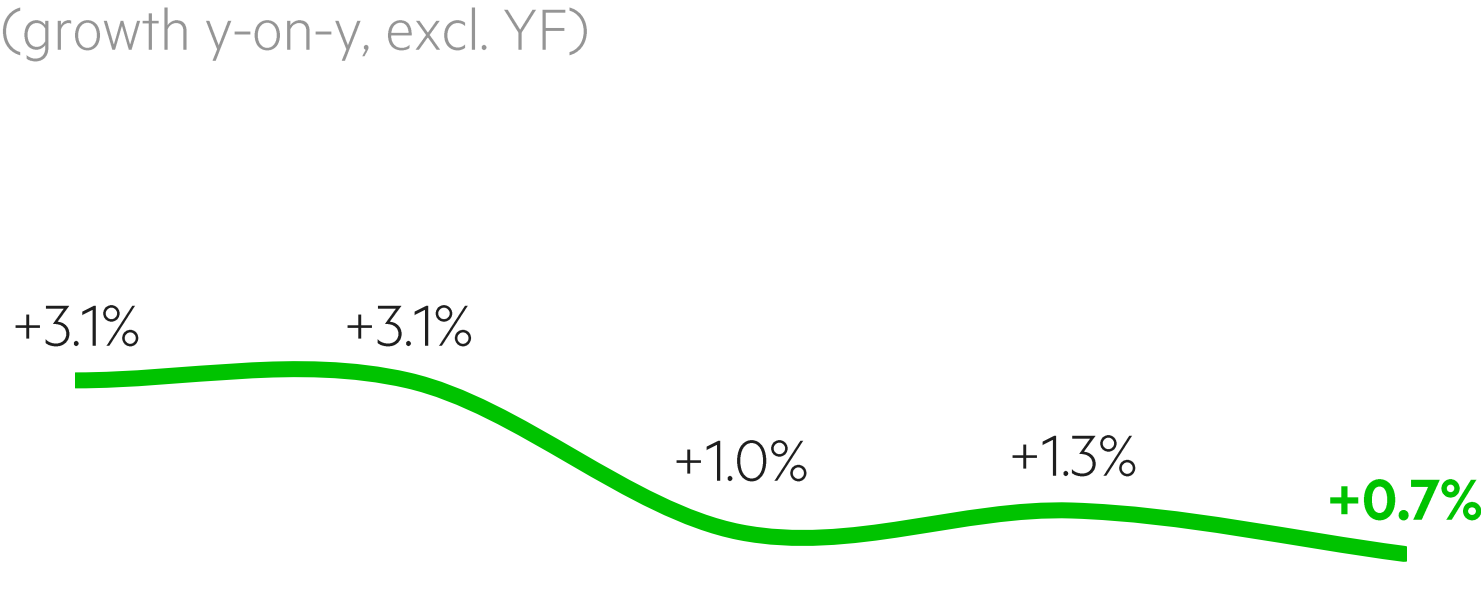
## Fixed ARPU (excl. Youfone) growing



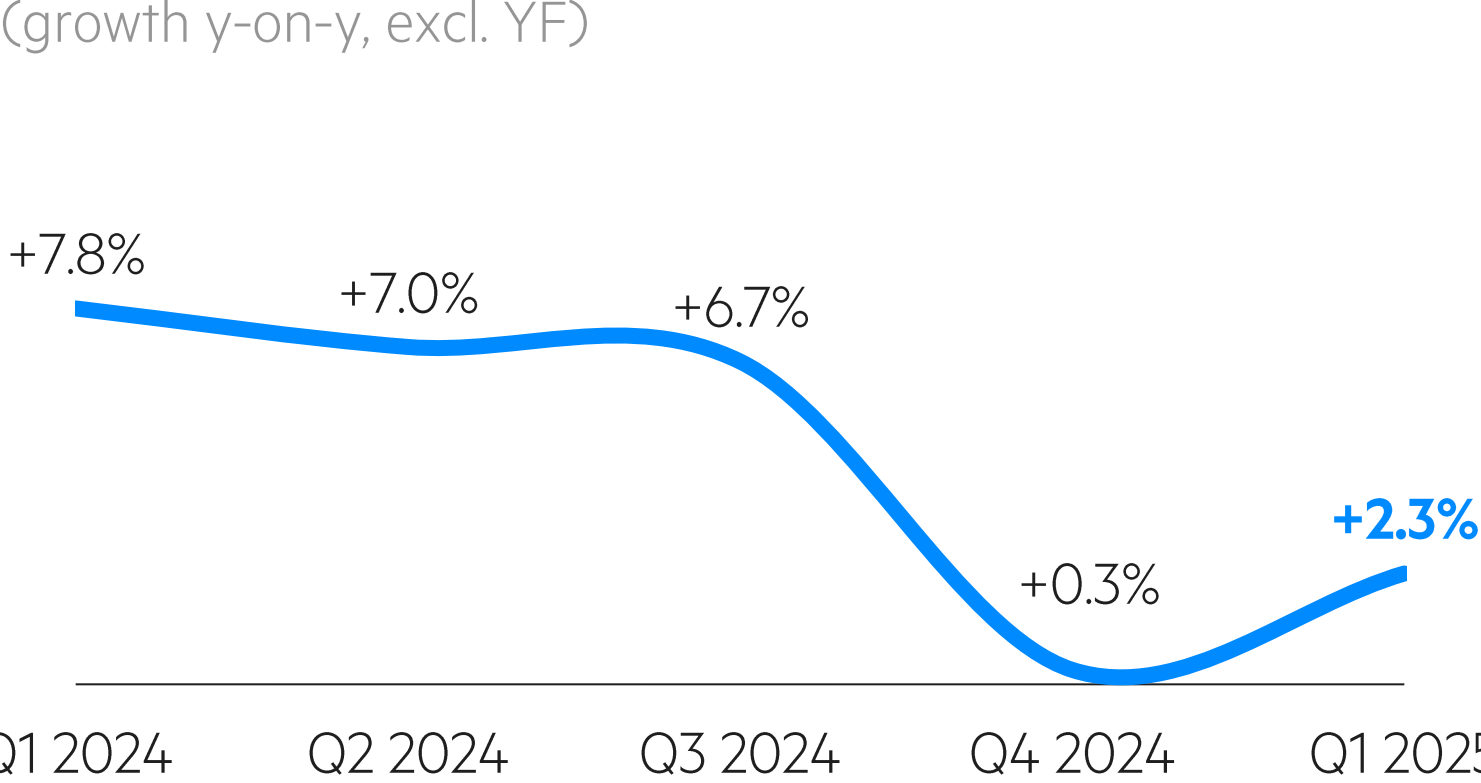
## Mobile ARPU (excl. Youfone) broadly flat



## Fixed service revenue growth softened



## Mobile service revenue trend improved



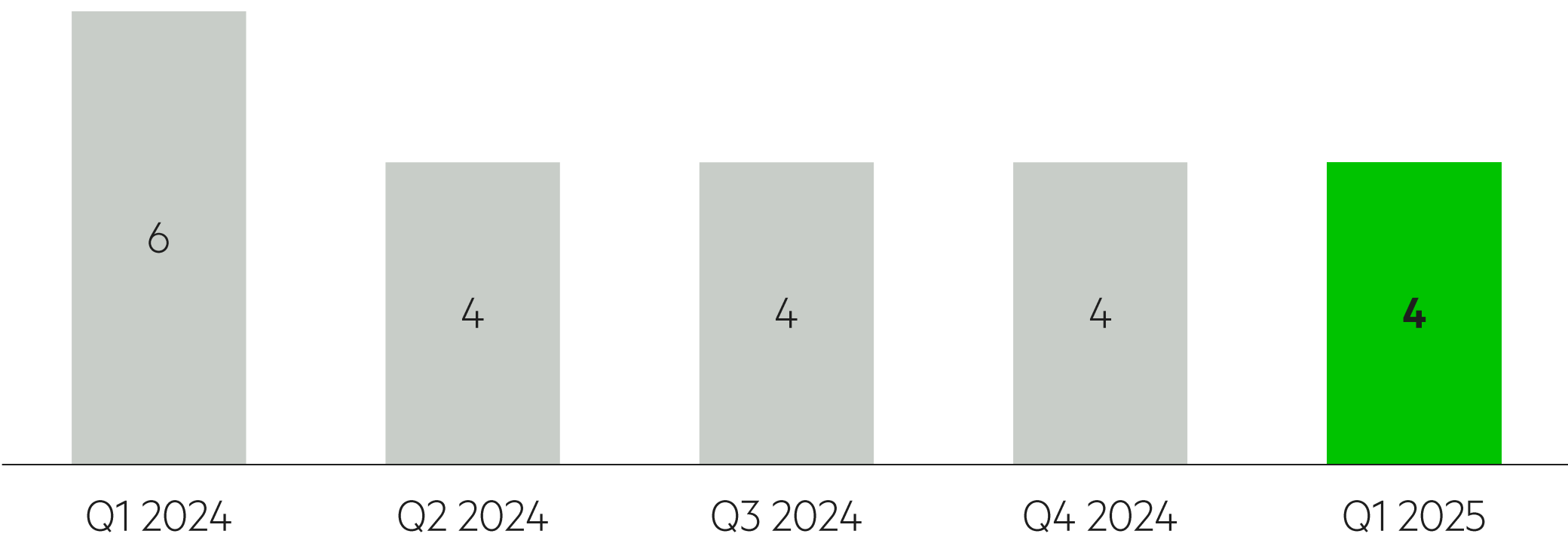
1. Excluding the acquired base from Kabeltex in Q1 2024 and Youfone in Q2 2024  
2. Corrected for migrations to, and new customers of, business propositions (4k in Q1 2025, 5k in Q4 2024, 4k in Q3 2024, 5k in Q2 2024, and 6k in Q1 2024)

# B2B: Sustained service revenue growth

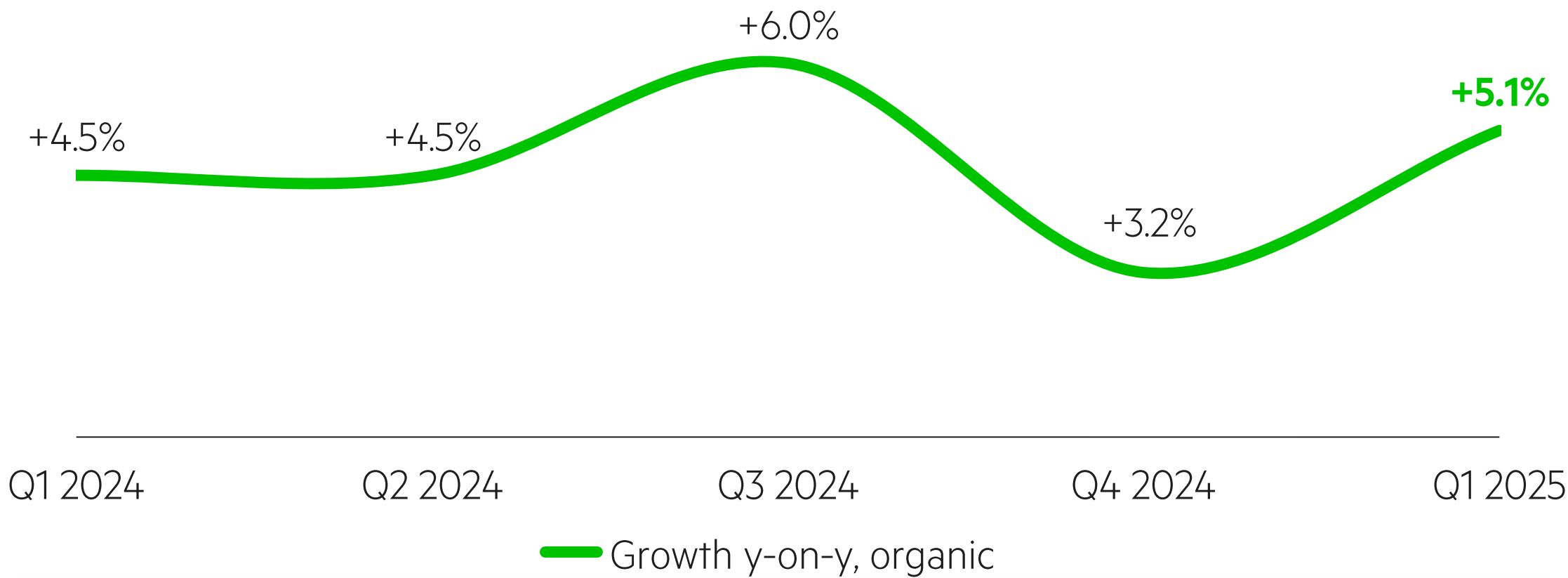
## Key take-aways

- Business service revenues grew 5.1% y-on-y organically<sup>1</sup>, driven by SME and Tailored Solutions
- Continued strong growth in SME, mainly driven by Cloud & Workspace and broadband
- LCE service revenue declined, mainly driven by price pressure in Mobile
- Strong Tailored Solutions service revenue growth, driven by higher project-related business
- Continued commercial momentum in postpaid (+23k)
- NPS sequentially stable, leading in the Dutch market

## Industry-leading NPS<sup>2</sup> (YTD)



## Adj. Service Revenue trend



| Segment revenues (€ m) <sup>3</sup> | Q1 2024 | Q1 2025 | Δ y-on-y | Organic |
|-------------------------------------|---------|---------|----------|---------|
| SME                                 | 175     | 188     | +7.0%    | +6.3%   |
| LCE                                 | 186     | 185     | -0.6%    | -0.2%   |
| Tailored Solutions                  | 73      | 84      | +15%     | +15%    |
| Adj. Business service revenues      | 434     | 457     | +5.1%    | +5.1%   |
| Non-service revenues & Other        | 25      | 23      | -4.8%    | -4.8%   |
| Adj. Business revenues              | 459     | 480     | +4.7%    | +4.6%   |

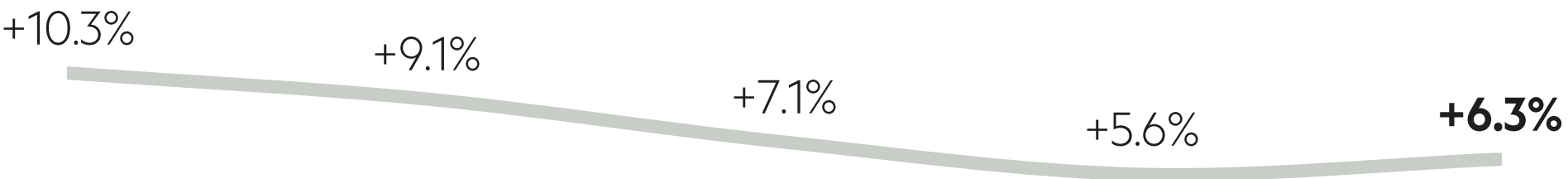
1. Excluding the impact from Youfone and divestment in LCE

2. Source: Kantar TNS

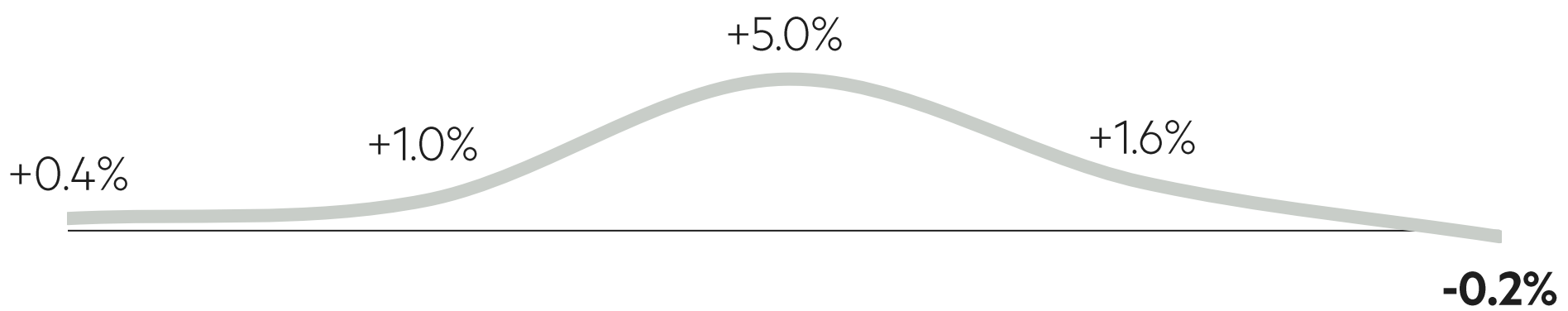
3. Restatement: SME service revenues now include the mid-market segment (companies with 150 to 650 FTE), previously reported in the LCE and Tailored Solutions divisions

# B2B: Organic growth driven by SME and Tailored Solutions

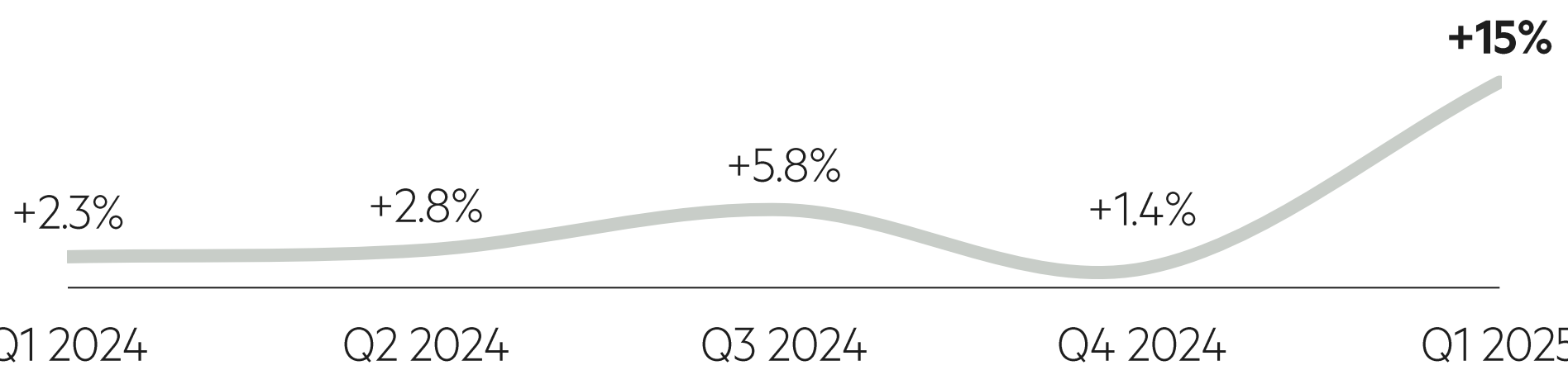
## SME



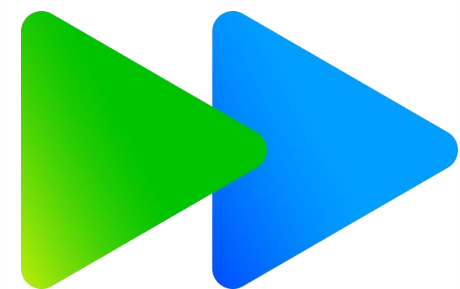
## LCE



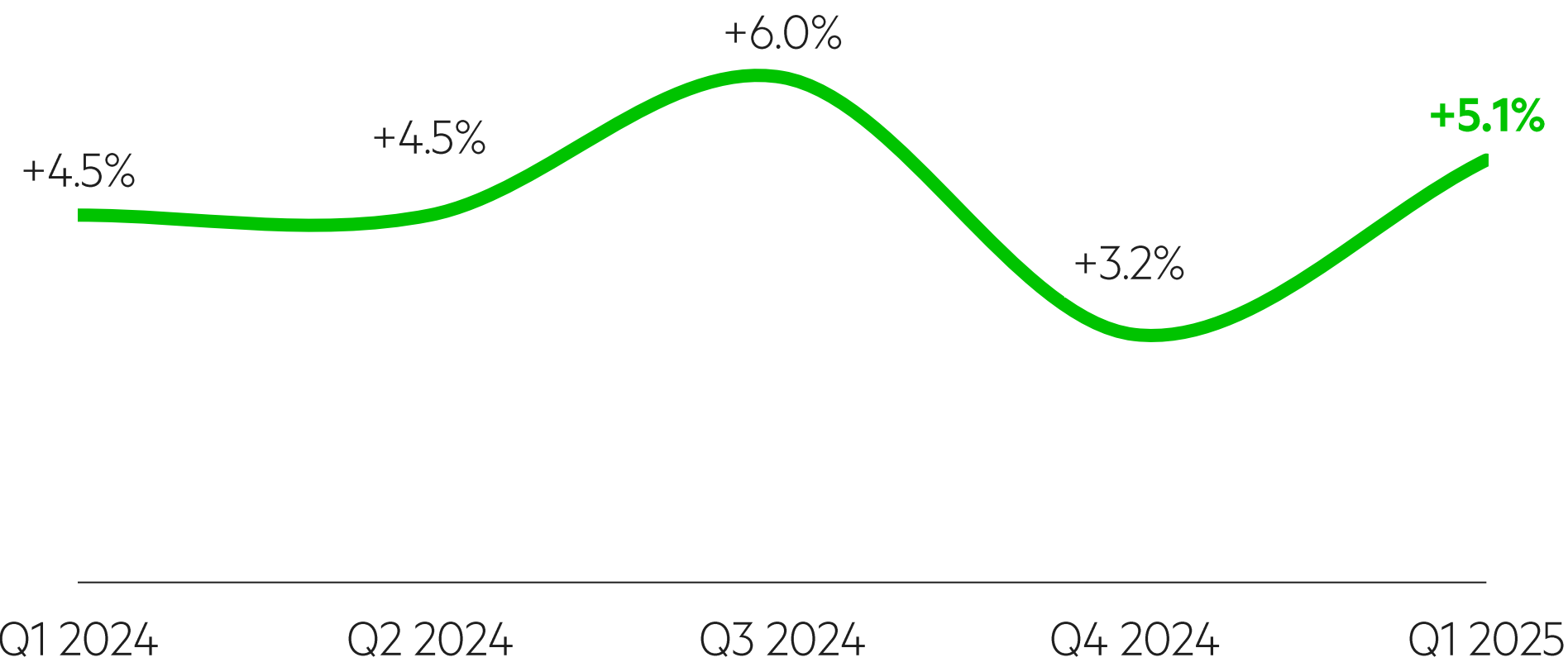
## Tailored Solutions



— Growth y-on-y, organic



## Total adj. Business service revenues



— Growth y-on-y, organic

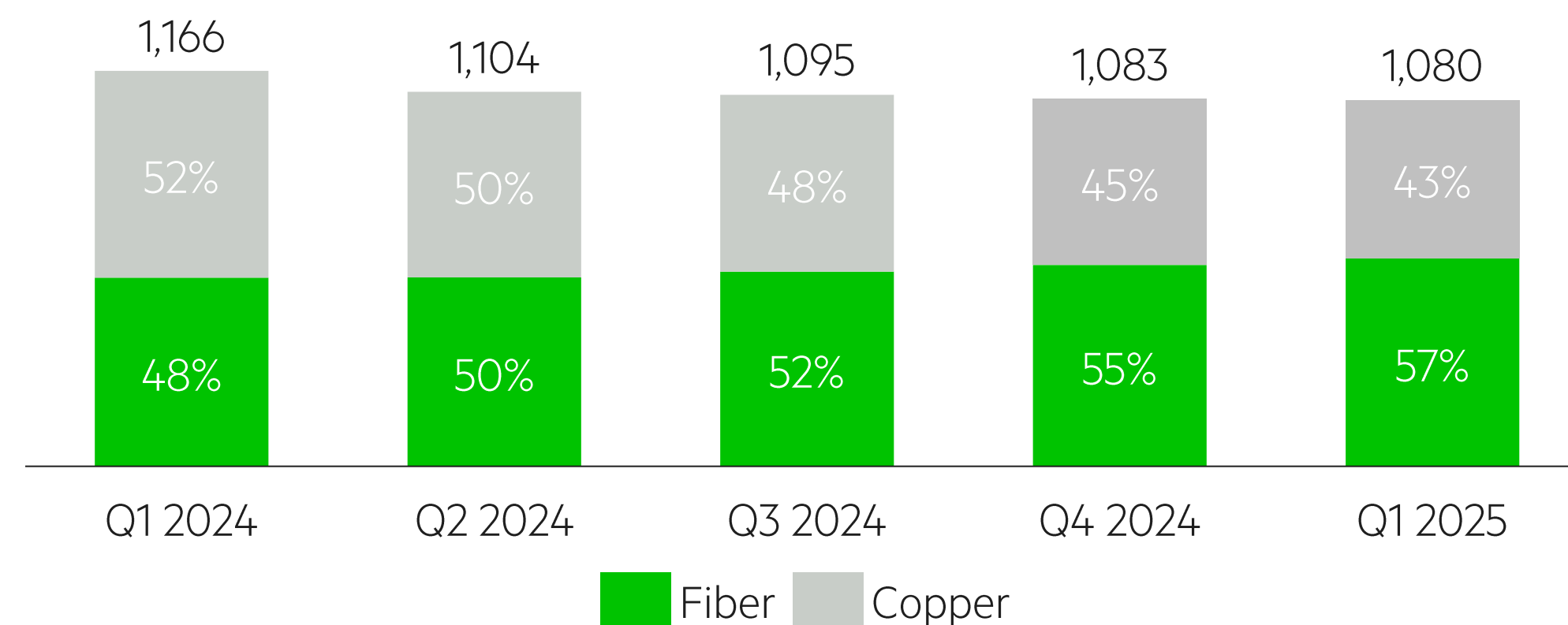
# Wholesale: Accelerating service revenue growth

## Key take-aways

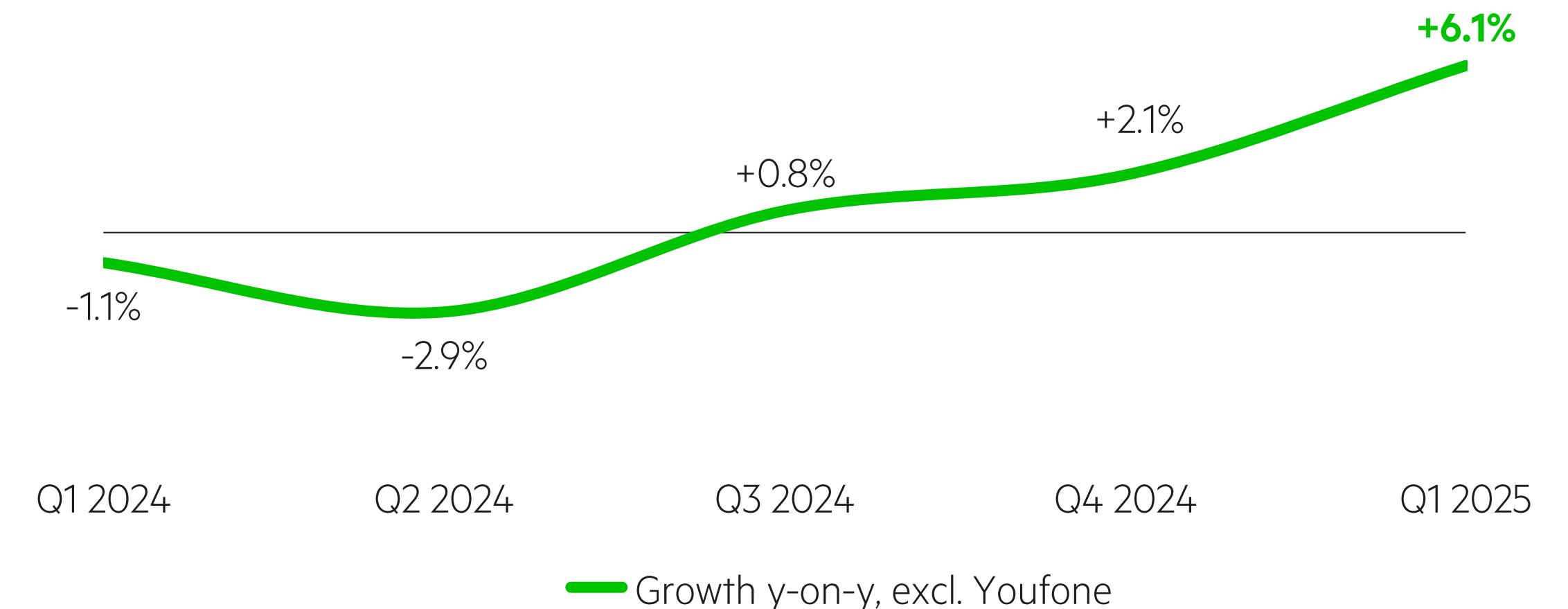
- Service revenues increased 6.1% y-on-y excl. Youfone, mainly driven by ongoing strong growth of international sponsored roaming
- Broadband service revenues grew 2.1% y-on-y, driven by higher fiber service revenues, higher revenues from PON Ethernet services to Glaspoot and price increases, partly offset by a lower base (-2k<sup>1</sup>)
- Mobile service revenues increased 21% y-on-y, driven by the continued strong increase in international sponsored roaming volumes and base
- Other service revenues increased, mainly driven by an uptake in visitor roaming

## Broadband customer base

(k)<sup>2</sup>



## Adj. Service Revenue trend



| Segment revenues (€ m)                 | Q1 2024    | Q1 2025    | Δ y-on-y     | Excl. YF     |
|----------------------------------------|------------|------------|--------------|--------------|
| Broadband service revenues             | 83         | 80         | -3.1%        | +2.1%        |
| o/w Fiber broadband                    | 38         | 43         | +11%         | +15%         |
| o/w Copper broadband                   | 41         | 33         | -20%         | -14%         |
| o/w Other                              | 4          | 5          | +31%         | +31%         |
| Mobile service revenues                | 42         | 38         | -7.9%        | +21%         |
| Other service revenues                 | 43         | 44         | +2.2%        | +2.2%        |
| <b>Adj. Wholesale service revenues</b> | <b>167</b> | <b>162</b> | <b>-2.9%</b> | <b>+6.1%</b> |
| Non-service revenues & Other           | 1          | 1          | -12%         | -12%         |
| <b>Adj. Wholesale revenues</b>         | <b>168</b> | <b>163</b> | <b>-3.0%</b> | <b>+6.0%</b> |

# Financial Performance



# Summary: Q1 2025 results

## Adjusted revenues

Q1 2025

**€ 1,418m**  
**+3.0%**

Q1 2024  
€ 1,377m

## Adj. net indirect opex AL

Q1 2025

**€ 420m**  
**-€ 4m**

Q1 2024  
€ 423m

## Adjusted EBITDA AL

Q1 2025

**€ 634m**  
**+4.7%**

Q1 2024  
€ 605m

### Q1 adjusted revenues +3.0% y-on-y

- Driven by higher Group service revenues

## Net profit

Q1 2025

**€ 169m**  
**-3.5%**

Q1 2024  
€ 175m

## Liquidity position

Q1 2025

**€ 2.5bn**

Cash & short-term investments: € 1,440m  
Committed undrawn facilities: € 1,075m

## Leverage ratio

Q1 2025

**2.4x**

Q1 2024  
2.3x

### Q1 adjusted EBITDA AL +4.7% y-on-y

- Driven by higher service revenues

## Capex

Q1 2025

**€ 294m**  
**-2.8%**

Q1 2024  
€ 302m

## Operational Free Cash Flow

Q1 2025

**€ 340m**  
**+12%**

Q1 2024  
€ 303m

## Free Cash Flow

Q1 2025

**€ 128m**  
**-17%**

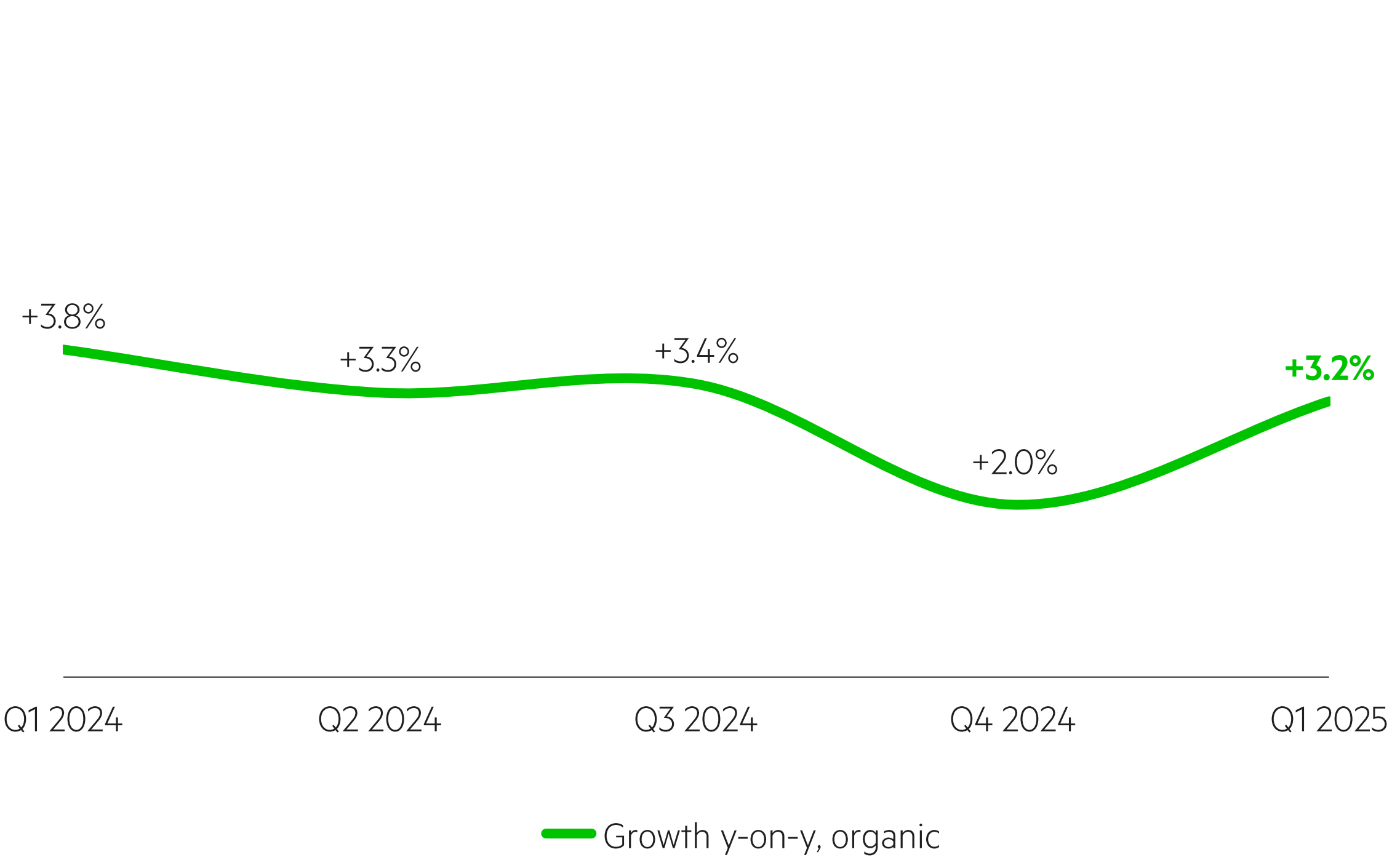
Q1 2024  
€ 154m

### Q1 FCF of € 128m (-17% y-on-y)

- Mainly driven by higher interest and cash taxes paid and phasing of working capital

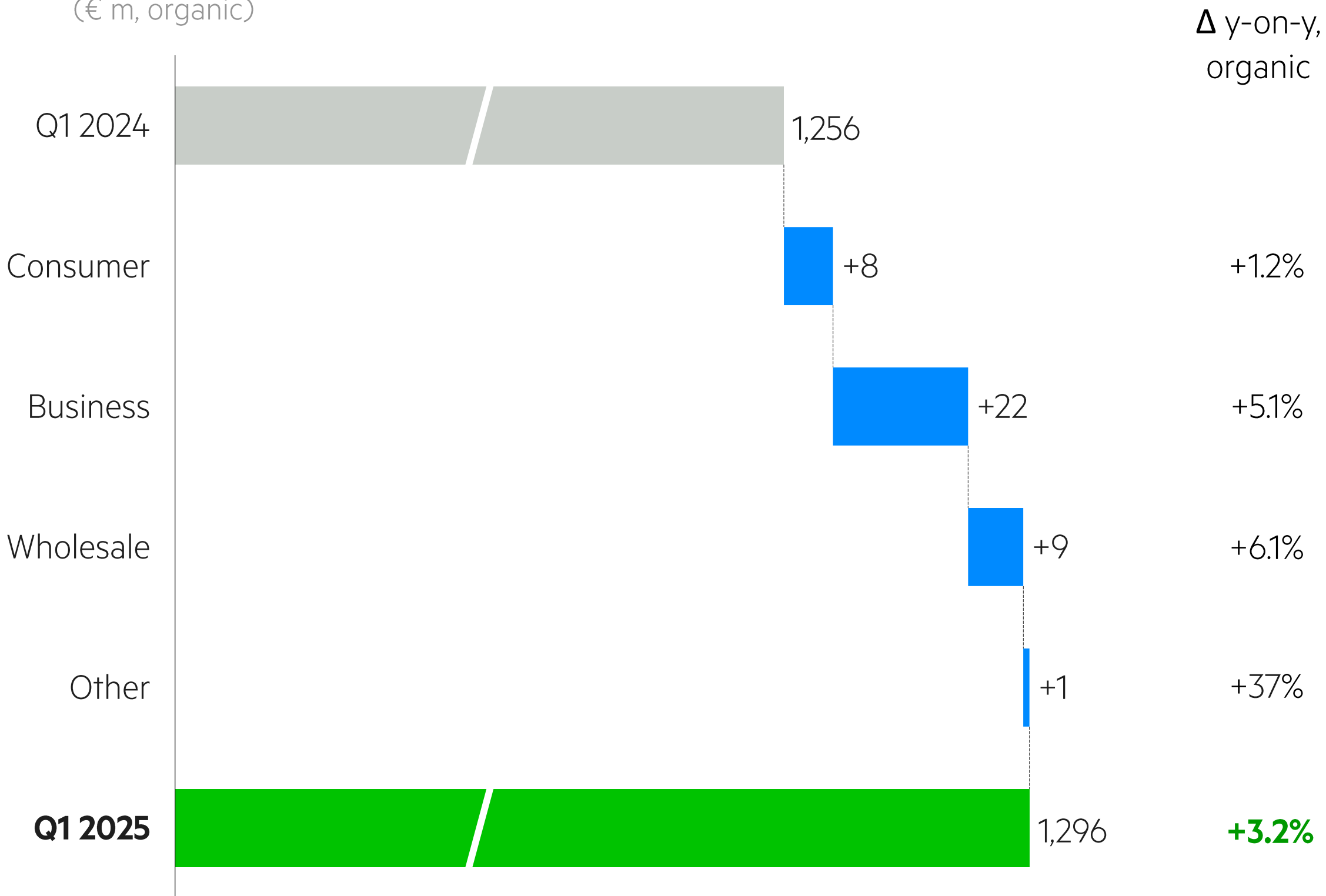
# Continued Group service revenue growth, supported by all segments

Continued Group service revenue growth

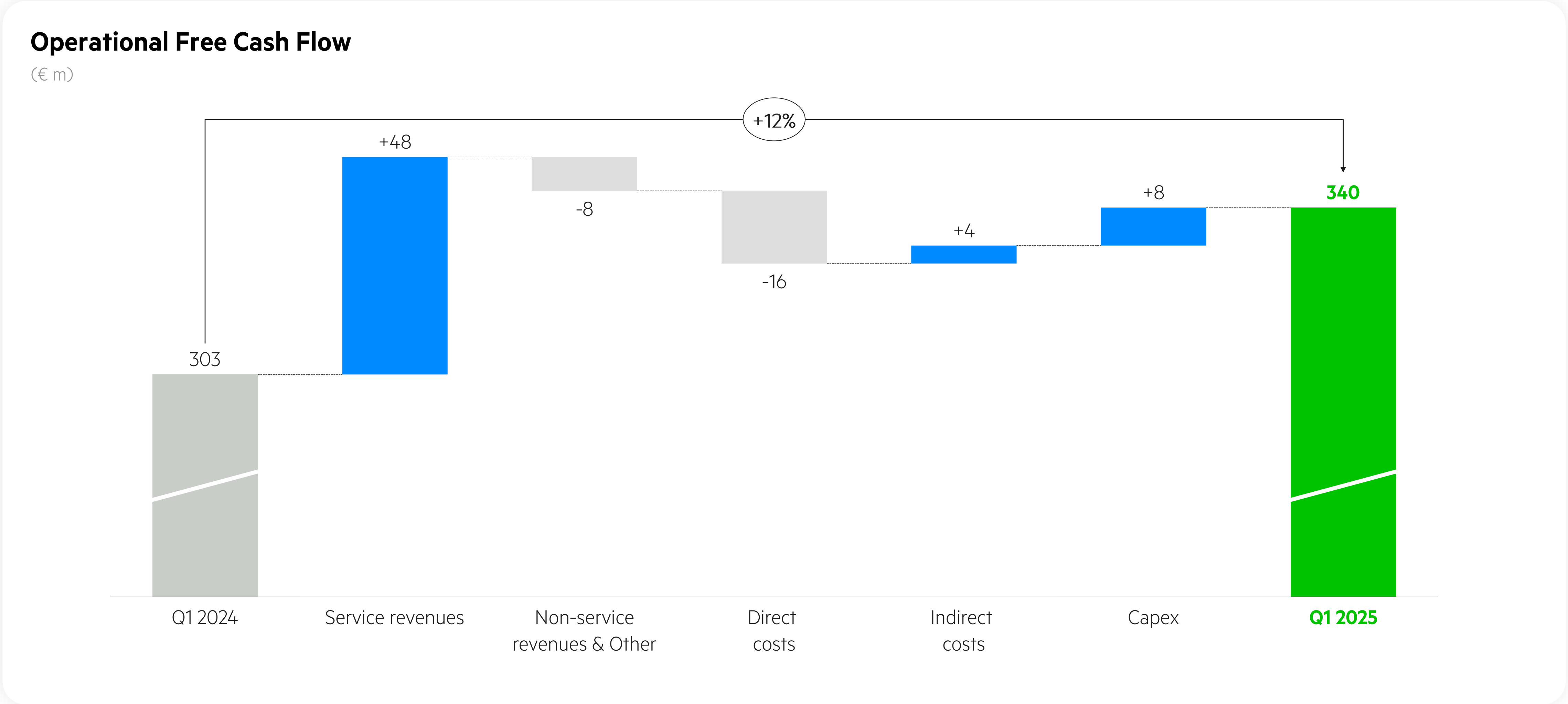


Growth driven by all segments

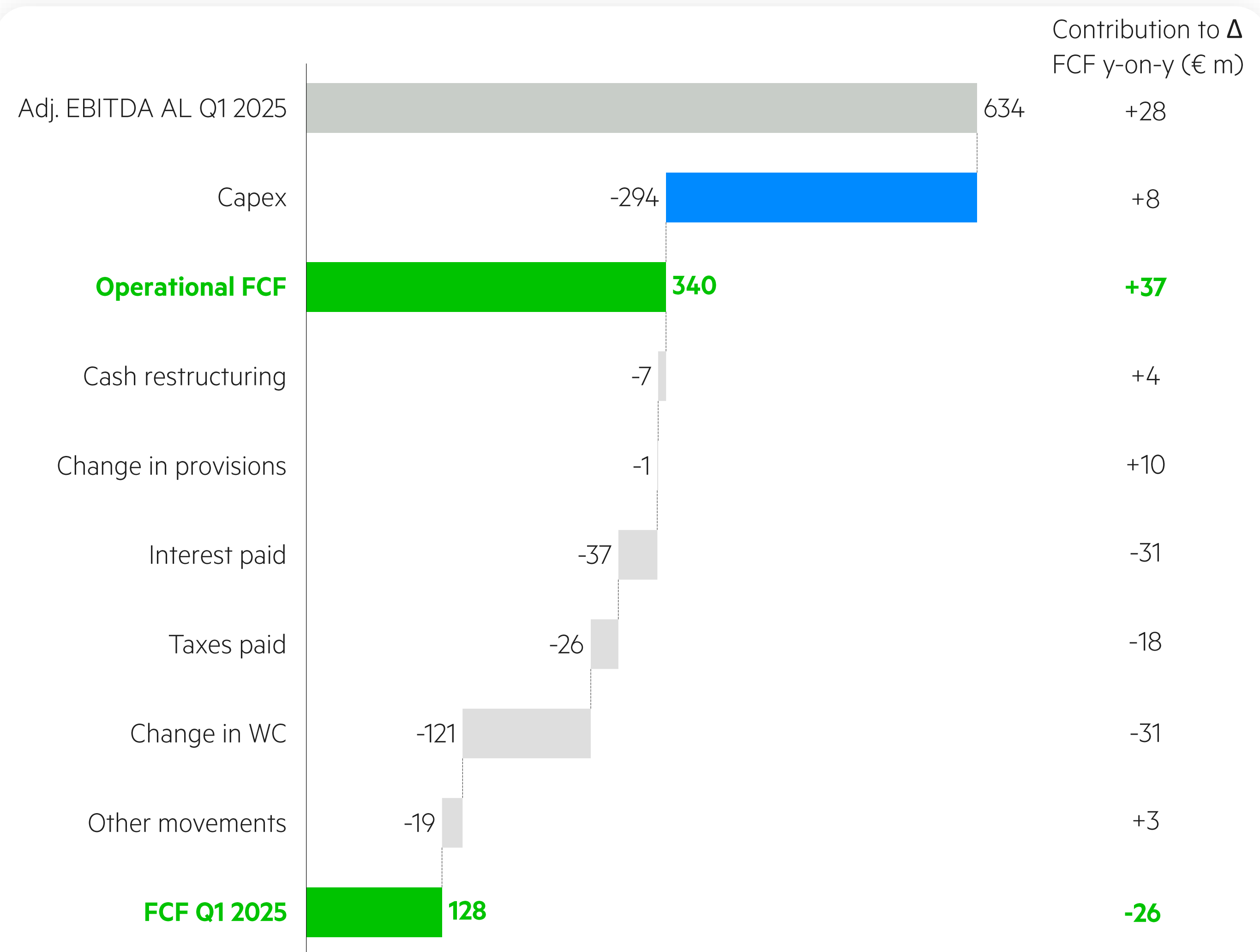
(€ m, organic)



# Solid Operational Free Cash Flow growth; total spend broadly stable



# FCF mainly impacted by interest payments and phasing of working capital



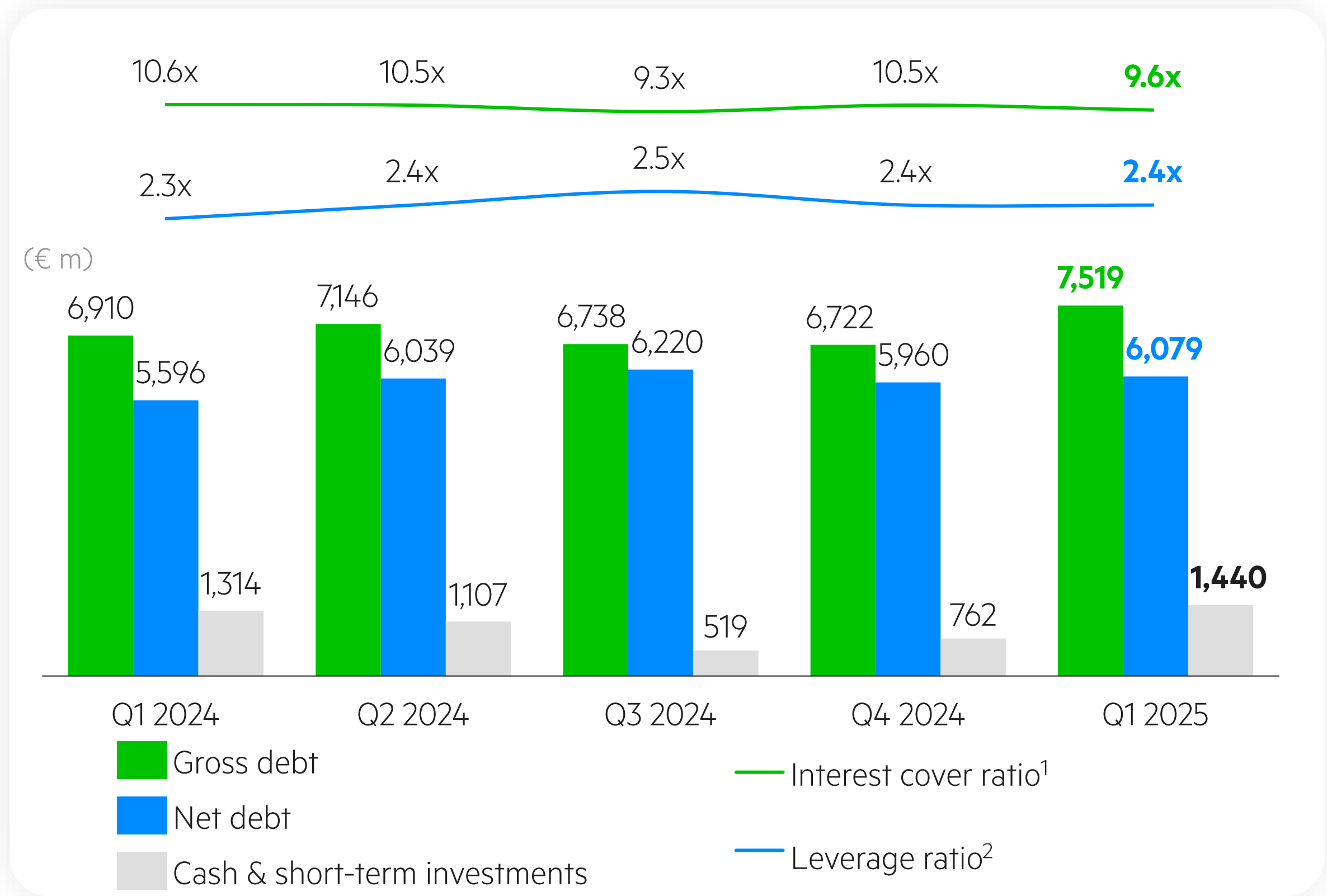
▶ **Q1'25 FCF** of **€ 128m**, 17% lower y-on-y, as higher EBITDA and less Capex were offset by:

- Higher interest payments
- Phasing of working capital
- Higher cash taxes

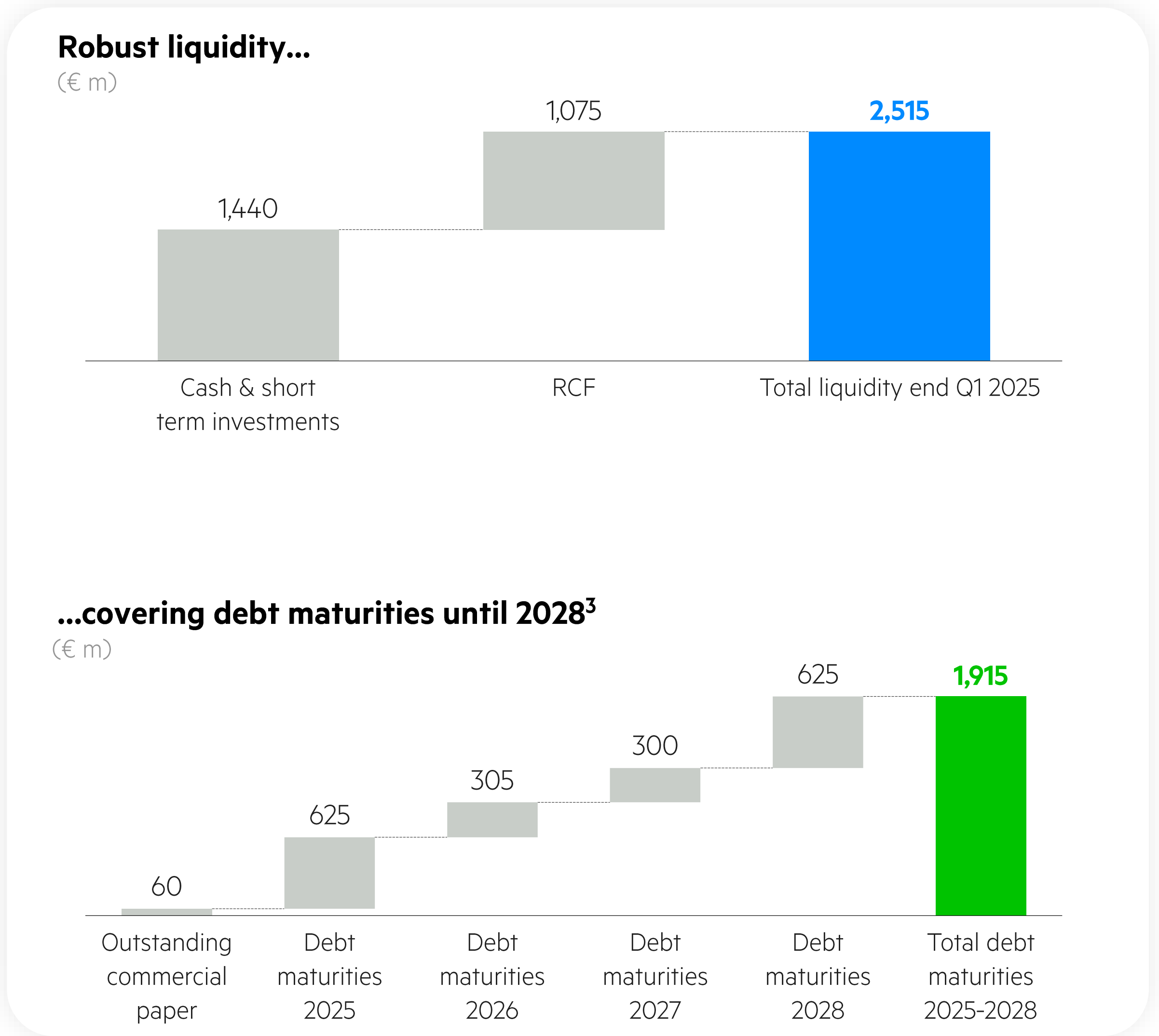
▶ Cash & short-term investments of **€ 1,440m** per 31 March 2025

| (€m)                                             | Q1 2024      | Q1 2025      | Δ y-on-y     |
|--------------------------------------------------|--------------|--------------|--------------|
| <b>Free Cash Flow</b>                            | <b>154</b>   | <b>128</b>   | <b>-17%</b>  |
| As % of adj. revenues                            | 11.2%        | 9.1%         |              |
| Acquisitions & disposals                         | 10           | -101         | n.m.         |
| Change in short-term investments                 | -52          | -100         | +92%         |
| Other investing cash flow                        | 24           | 16           | -34%         |
| Dividends paid                                   | -            | -            | n.m.         |
| Share repurchase                                 | -135         | -34          | -75%         |
| Other financing cash flow                        | 459          | 668          | +46%         |
| Cash flow from discontinued operations           | -            | -            | n.m.         |
| <b>Change in net cash &amp; cash equivalents</b> | <b>460</b>   | <b>577</b>   | <b>+26%</b>  |
| <b>Net cash &amp; cash equivalents BoP</b>       | <b>609</b>   | <b>662</b>   | <b>+8.7%</b> |
| Change in net cash & cash equivalents            | 460          | 577          | +26%         |
| <b>Net cash &amp; cash equivalents EoP</b>       | <b>1,068</b> | <b>1,240</b> | <b>+16%</b>  |

# Robust liquidity position, committed to investment-grade credit profile



- Increase in Gross debt driven by Q1 '25 refinancing and Althio debt consolidation
- Slight increase in Net debt driven by Althio transaction
- Leverage ratio remains stable at 2.4x
- Strong liquidity position of € 2.5bn covering debt maturities until end 2028<sup>3</sup>
- Average cost of senior debt 9bps lower q-on-q at 3.69% (-28bps 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

# Outlook 2025 and ambitions 2027

## Outlook FY 2025

## Ambitions FY 2027<sup>1</sup>

**Service revenues**

~3%

~3% CAGR

**Adj. EBITDA AL**

>€ 2,600m

~3% CAGR

**Capex**

~€ 1.25bn

<€ 1.0bn

**Free Cash Flow**

~€ 920m

~7% CAGR

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- ▶▶ **Reiterating** our upgraded full-year 2025 outlook from mid-February



# Appendices

- I Tax
- II Debt portfolio
- III ESG

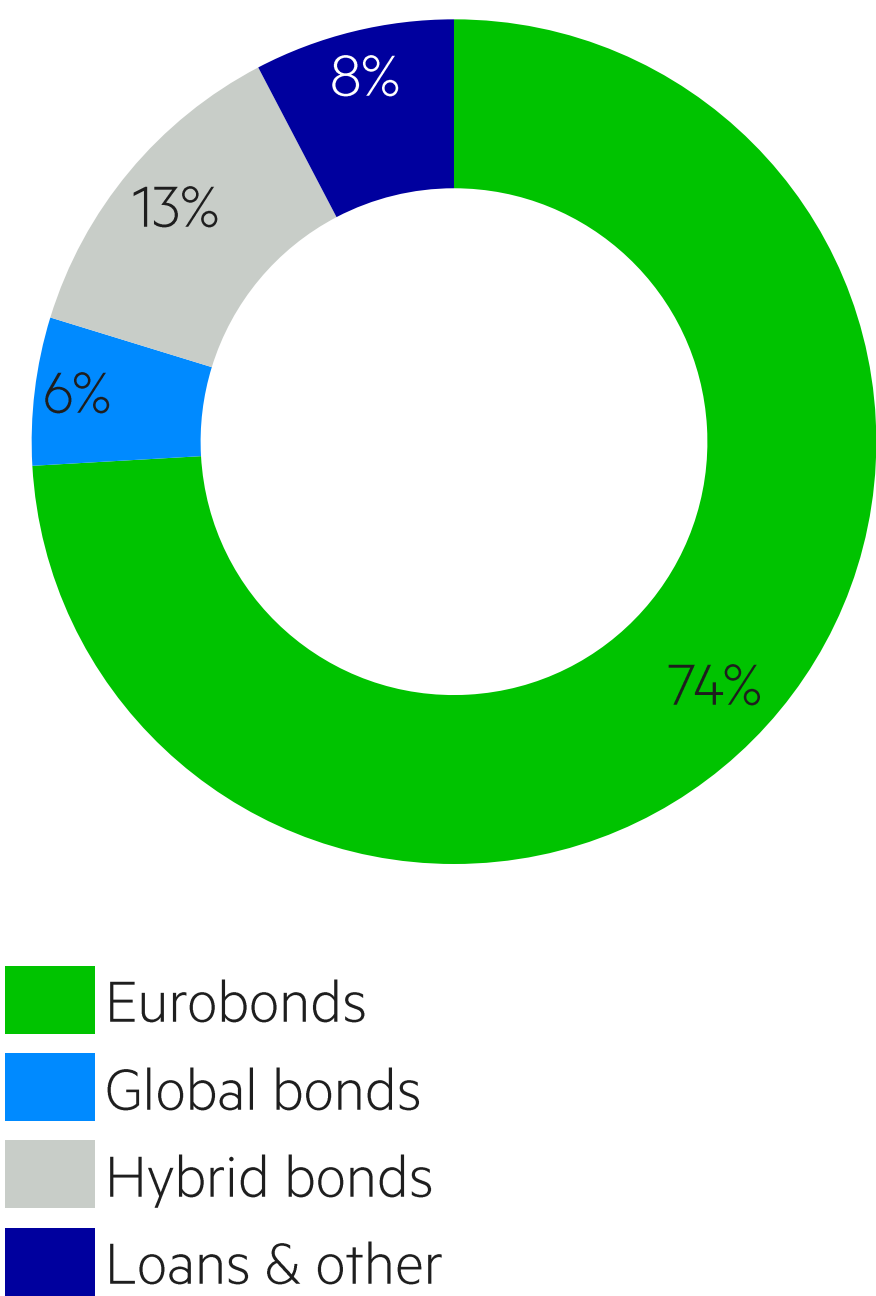
# I. Tax Q1 2025

| Region (€ m)                                   | P&L        |            | Cash flow |            |
|------------------------------------------------|------------|------------|-----------|------------|
|                                                | Q1 2024    | Q1 2025    | Q1 2024   | Q1 2025    |
| The Netherlands                                | -46        | -51        | -9        | -26        |
| Of which discontinued operations               | -          | -          | -         | -          |
| <b>Reported tax from continuing operations</b> | <b>-46</b> | <b>-51</b> | <b>-9</b> | <b>-26</b> |
| Effective tax rate continuing operations       | 20.8%      | 23.0%      |           |            |

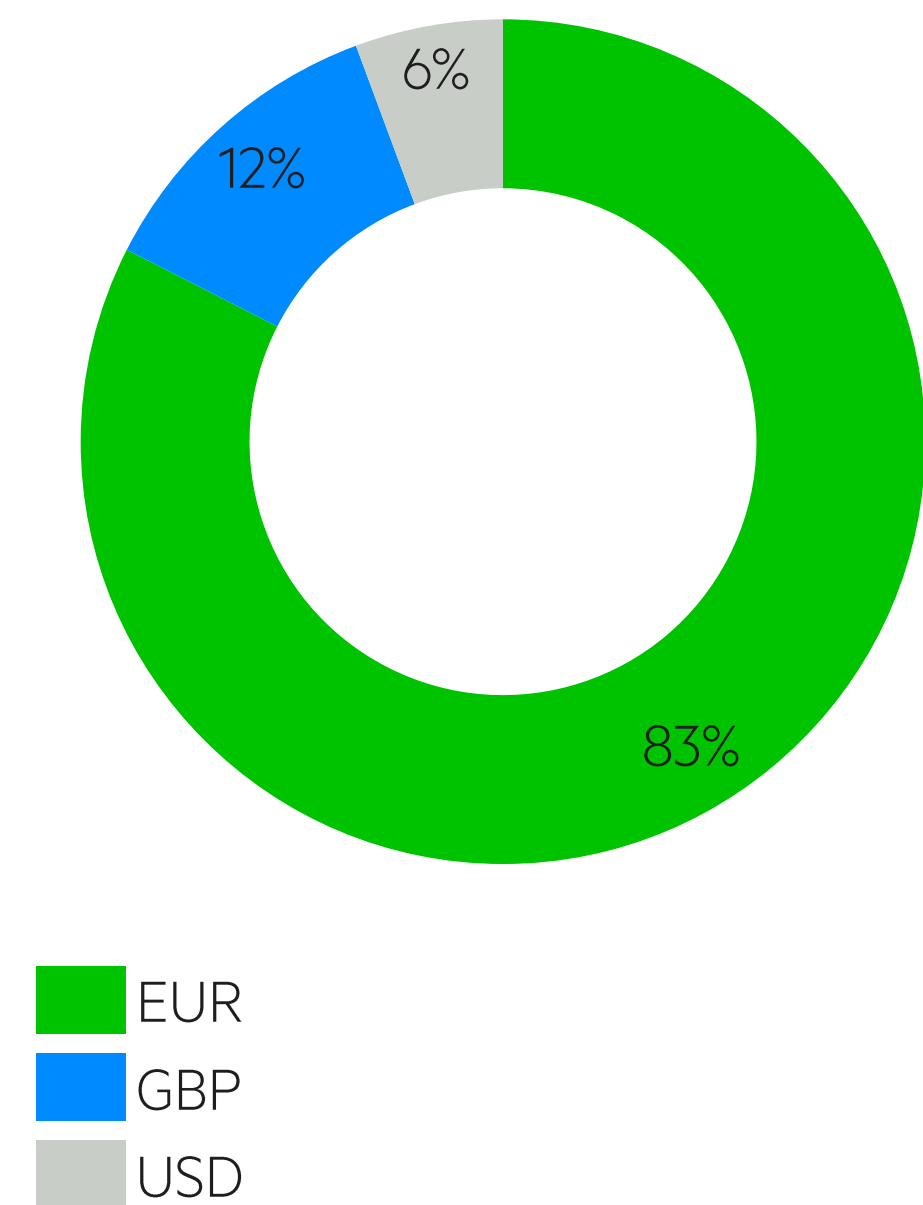
- The effective tax rate for Q1 2025 was mainly influenced by the Innovation Box facility, one-off effects<sup>1</sup> and the tax effect of perpetual hybrid bonds
- The normalized tax rate is ~23% for Q1 2025
- For 2025, the effective tax rate is expected to be ~23%

# II. Debt portfolio

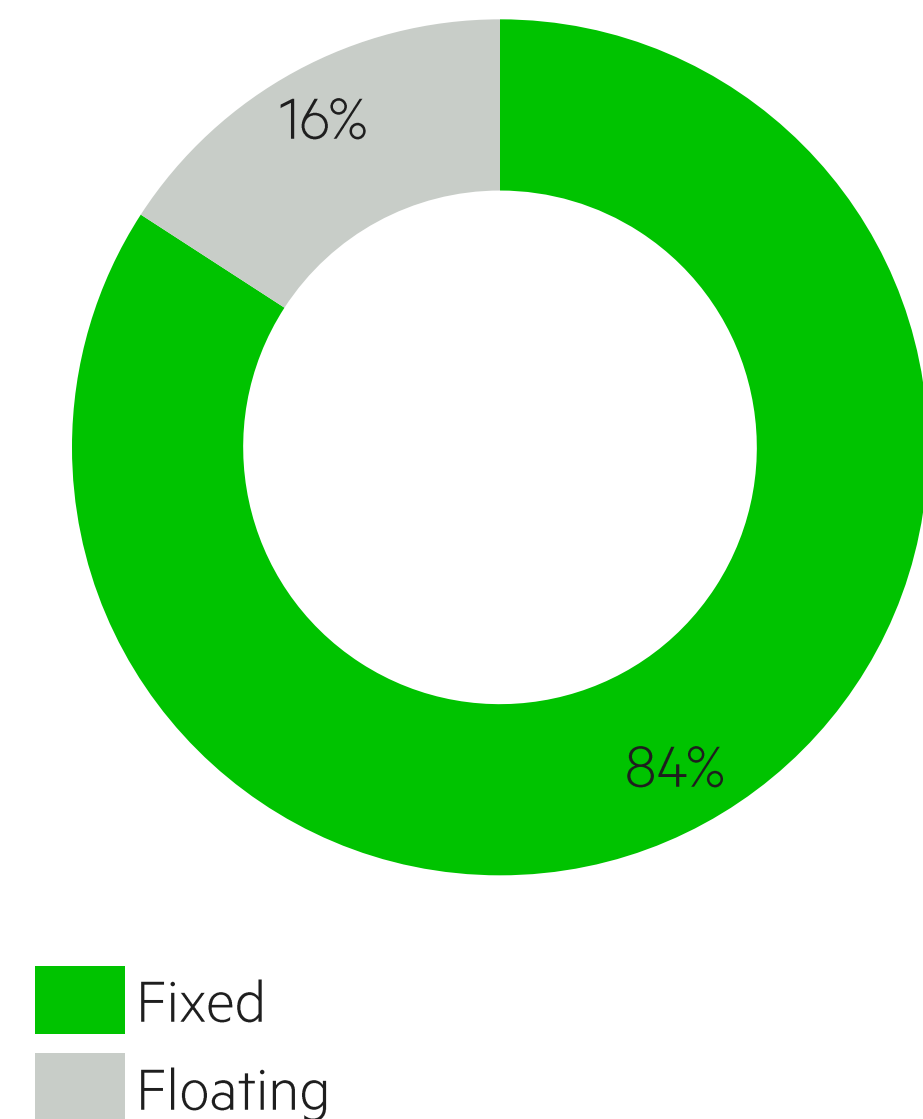
Nominal debt by type<sup>1</sup>



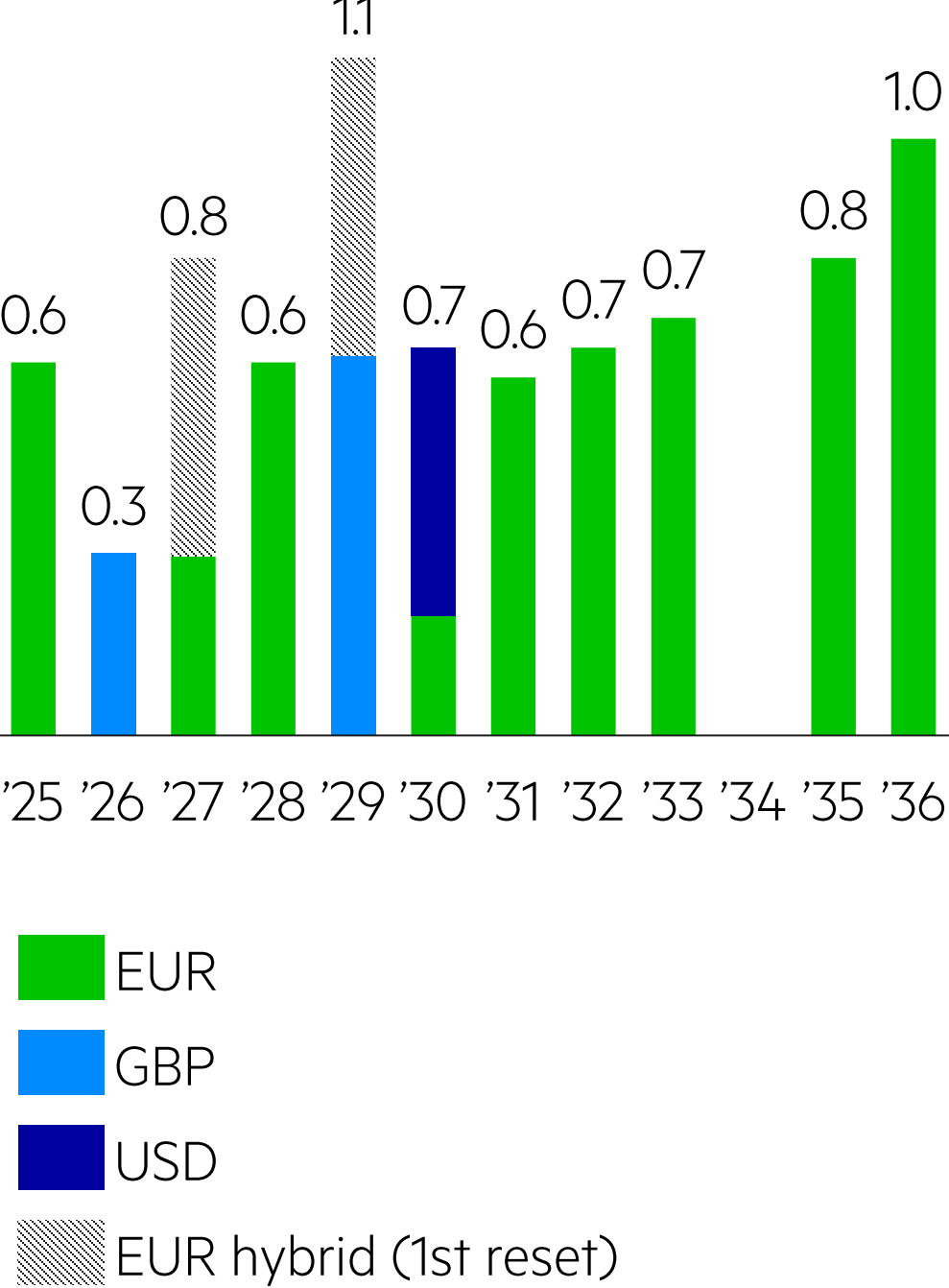
Nominal debt by currency<sup>1</sup>



Fixed vs. floating interest<sup>1</sup>

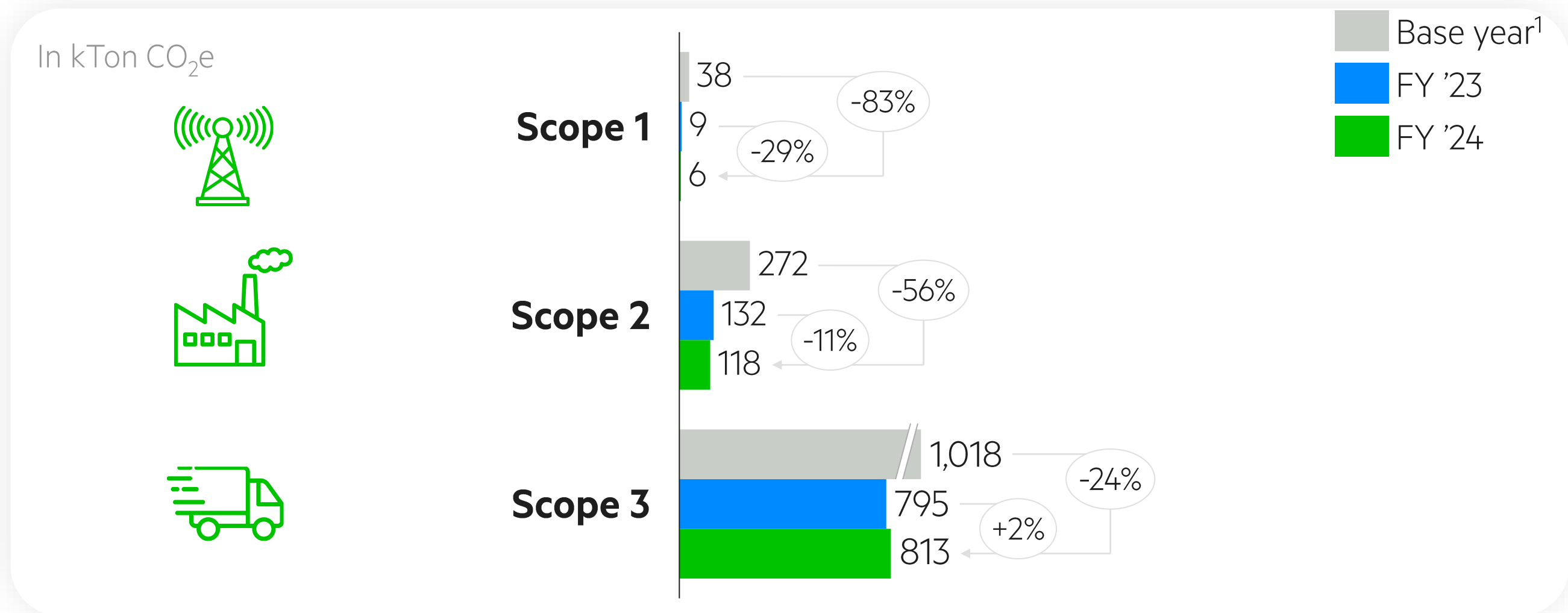


Debt redemption profile<sup>2</sup>



1. Based on the nominal value of interest-bearing liabilities after swap to EUR as per 31 March 2025  
2. Includes outstanding bonds and loans, excluding commercial paper

# III. ESG dashboard: continued progress on ambitions



## Scope 1 – Direct emissions

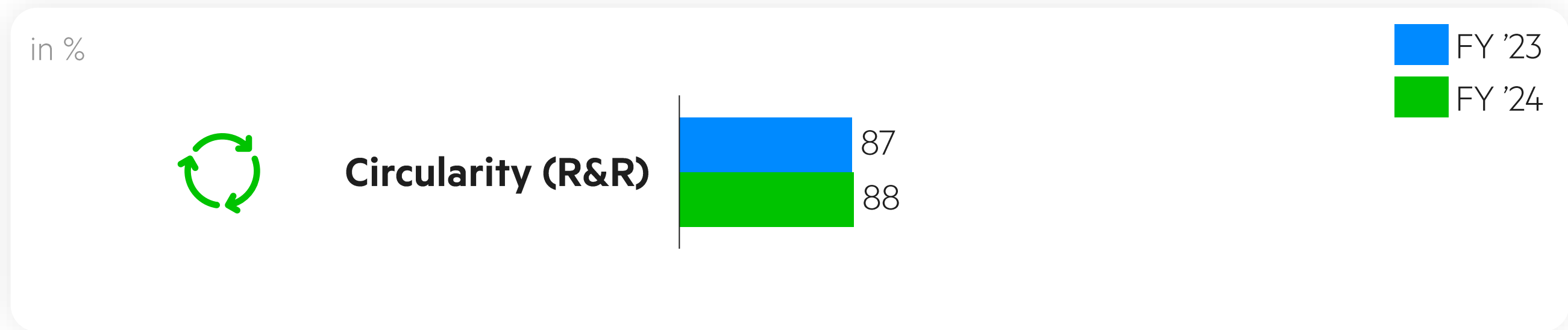
- Gross emissions, relating to fuel consumption car fleet, heating of buildings, consumption of coolants, fuel consumption of emergency power generators
- Ambition: 99% fossil fuel free cars added to company fleet in 2025

## 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

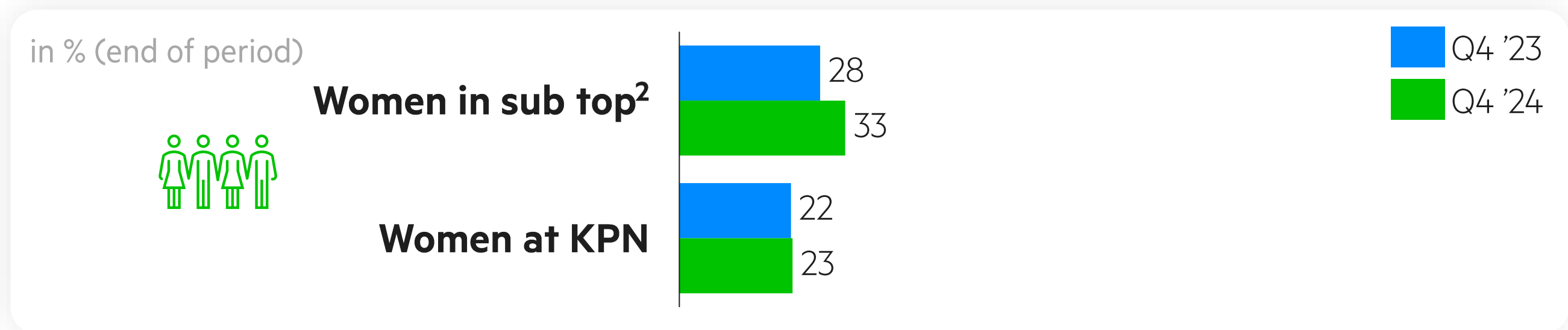
## Scope 3 – Emissions in value chain

- Emissions in the upstream value chain (production phase at suppliers)
- Emissions in the downstream value chain (use phase, recycling and disposal)
- Ambition: net zero CO<sub>2</sub>e 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 37.5%<sup>3</sup> female members
- Ambition: 23% women at KPN and 36% women in sub top positions by 2025

1. Baseline year is 2015  
2. Direct reports to Board of Management in management positions  
3. As per 16 April 2025



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