# Connect Activate Grow


**KPN Q4 & FY 2025 Results** | January 2026

kpn

# 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 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 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 delivered on FY25 outlook; fully on track to achieve mid-term ambitions

- **FY25 service revenues +2.7% y-on-y, adj. EBITDA AL of € 2,636m and FCF of € 952m**
- **Indirect costs declined** € 10m y-o-y in 2025, marking an inflection in operational performance
- **Continued Group service revenue growth** in Q4 (+1.8% y-on-y), with all segments contributing
- **Consumer service revenues up** 1.2% y-on-y in Q4, supported by improving mobile service revenue trend
- **Sustained commercial momentum** in broadband: +12k net adds in Q4 and record +38k in FY25
- **Business service revenues increased** 2.3% y-on-y in Q4, mainly driven by SME
- **Wholesale service revenue growth** 3.9% y-on-y in Q4, mainly driven by international sponsored roaming
- **Leading the Dutch fiber market**: adding 440k homes passed and 399k homes connected in FY25[1]
- **2026 outlook:** Service revenue growth: 2-2.5%, adj. EBITDA AL ~€ 2,670m, Capex ~€ 1.25bn, FCF >€ 950m
- **10% DPS growth (€ 0.20 per share) and new € 250m share buyback**, returning all FCF to shareholders



1. Incl. KPN and Glaspoort, and third-party networks in which KPN or Glaspoort hold a call option, and which are expected to be consolidated over time.

# Delivered on 2025 outlook

| | Outlook FY 2025 | Achievements FY 2025 |
|---|---|---|
| **Service revenues** | ~3% | +2.7% |
| **Adj. EBITDA AL** | >€ 2,630m | € 2,636m |
| **Capex** | ~€ 1.25bn | € 1,263m |
| **Free Cash Flow** | >€ 940m | € 952m |
| **DPS** | € 18.2ct | € 18.2ct[1] |
| **Share buyback** | € 250m | € 250m |

1. The final regular dividend of € 0.109 per share is subject to shareholder approval at the AGM on 15 April 2026. The provisional ex-dividend date is 17 April 2026, with payment expected on 27 April 2026.

# **Strategy 2024-2027:** A mission to Connect, Activate & Grow

| | |
|---|---|
| **Purpose** | **We go all out to connect everyone in the Netherlands to a sustainable future** |

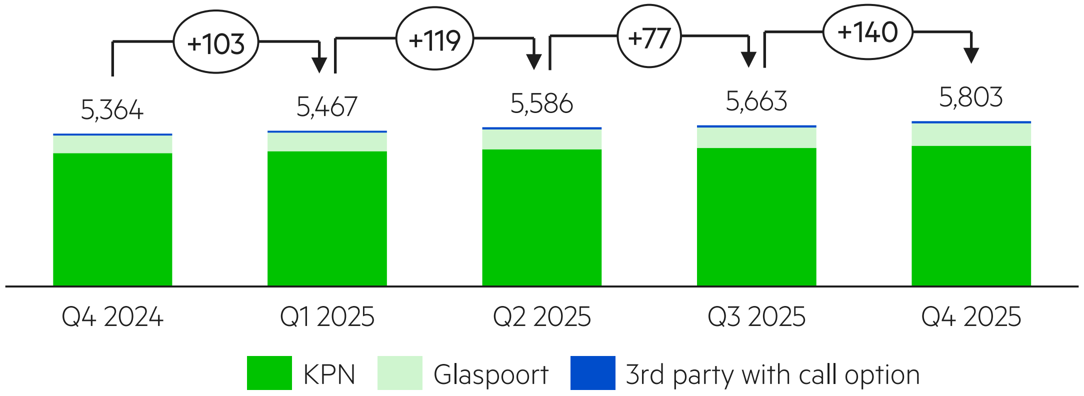
| **Strategic Missions** | **Connect** | **Activate** | **Grow** |
|---|---|---|---|
| | **Connect with our customers to deliver on their needs** | **Activate our best network, platforms, partners, & assets** | **Grow KPN by modernizing and simplifying our business** |
| | Earning our customers' loyalty through converged services & solutions that are truly relevant to them | Delivering the best digital experience to our customers over our world-leading, always-on networks | 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%** |

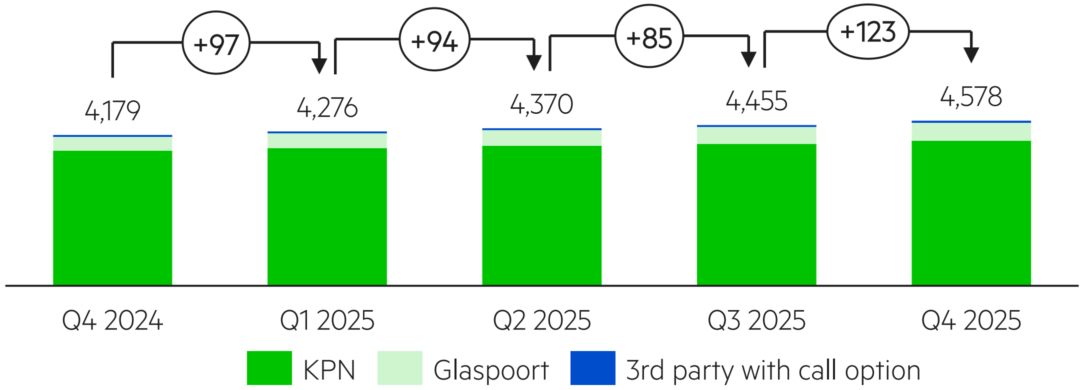
# Connect, Activate & Grow

# **Driving fiber leadership,** turning coverage into value

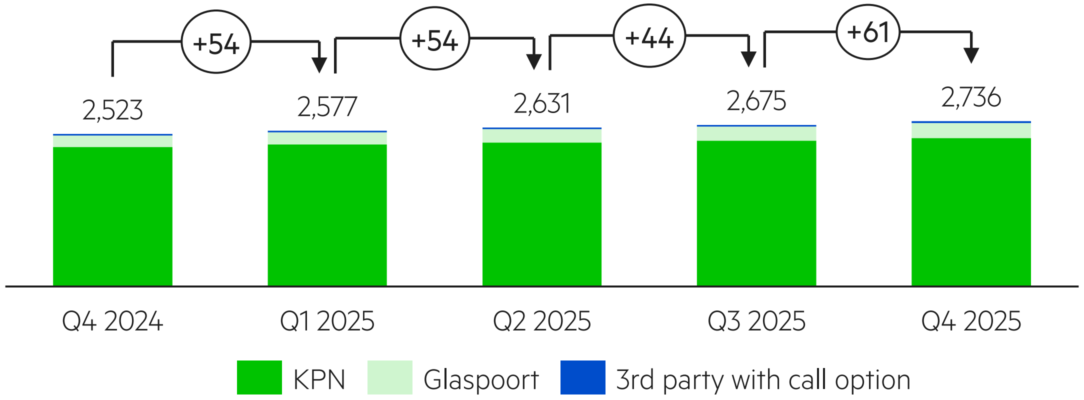
## Continuously expanding fiber footprint
Homes passed (k)



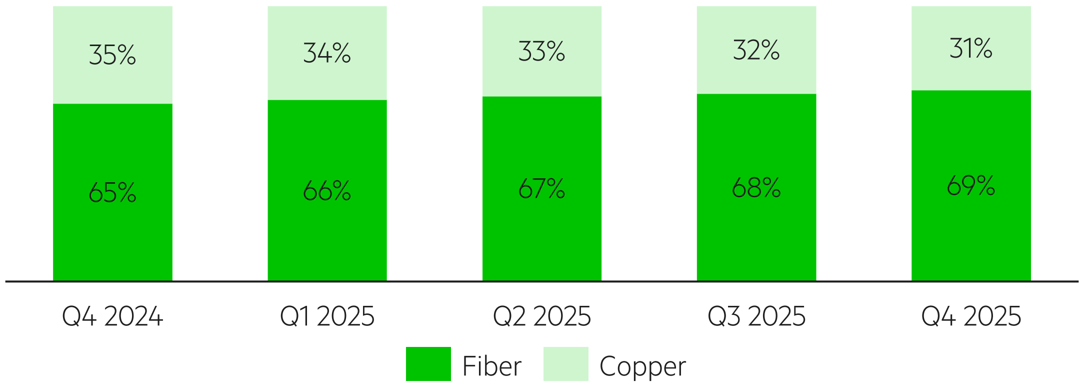

## Turning coverage into connections
Homes connected (k)




## Activating customers
Homes activated (k)




## Growing our fiber retail base

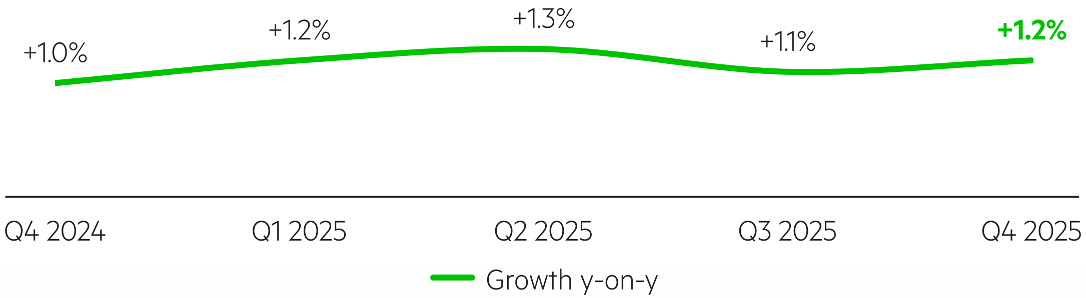


# **B2C:** Stable Consumer service revenue trend

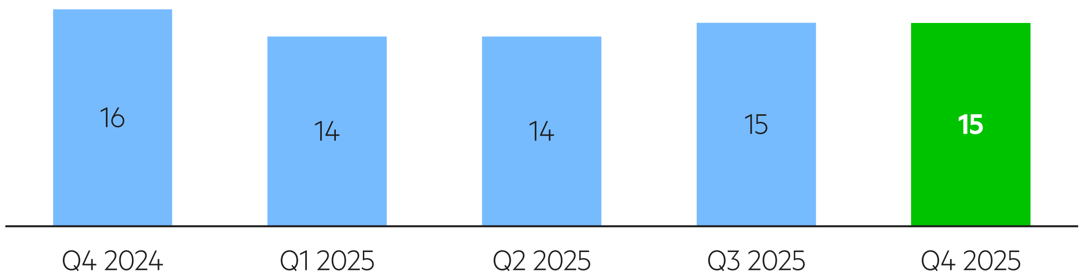
### Key take-aways

- Fixed service revenues increased 0.4% y-on-y, driven by robust fiber service revenue growth, partly offset by lower other fixed revenues and investments in our base related to *Combivoordeel*
- Solid broadband net adds (+12k[1]), driven by strong commercial execution and a focus on loyalty and retention, leading to lower churn
- Mobile service revenues driven by both ARPU and continued base growth
- Non-service revenues decreased 6.1% y-on-y, driven by lower handset sales
- NPS gradually improved throughout the year

### Adj. Service Revenue trend




### NPS[2]
(YTD)

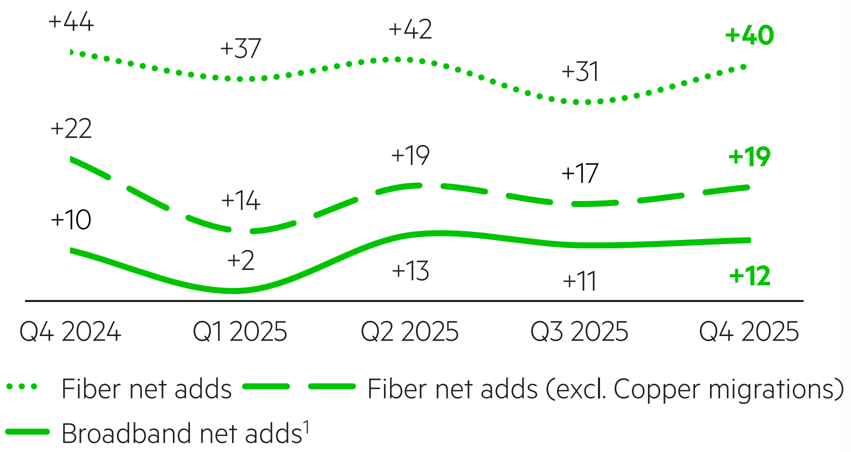



| **Segment revenues** (€ m) | **Q4 2024** | **Q4 2025** | **Δ y-on-y** |
|---|---|---|---|
| Fixed service revenues | 477 | 479 | +0.4% |
| *o/w Fiber broadband* | *304* | *330* | *+8.4%* |
| *o/w Copper broadband* | *162* | *139* | *-14%* |
| *o/w Other Fixed* | *12* | *10* | *-14%* |
| Mobile service revenues | 225 | 231 | +2.9% |
| **Adj. Consumer service revenues** | **702** | **711** | **+1.2%** |
| Non-service revenues & other | 80 | 75 | -6.1% |
| **Adj. Consumer revenues** | **783** | **786** | **+0.4%** |

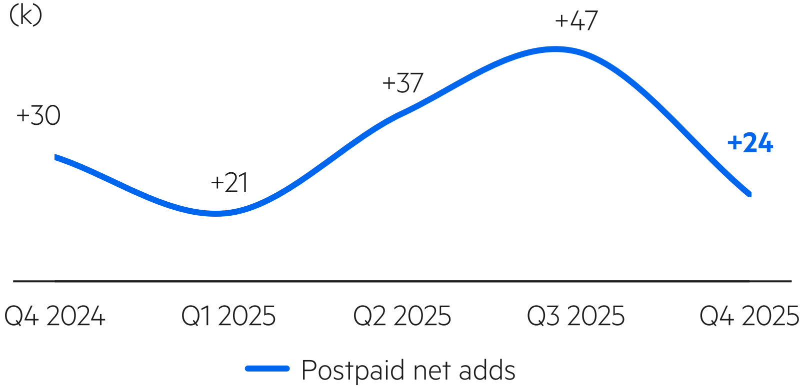
1. Corrected for migrations to, and new customers of, business propositions (6k in Q4 2025)
2. Source: Kantar TNS

# **B2C:** Ongoing commercial strength

## Continued momentum in broadband
(k)




## Solid postpaid net adds
(k)




## Broadly stable fixed ARPU

**€ 55**

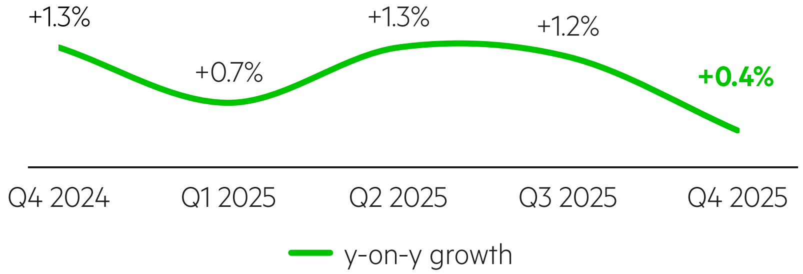
+0.1% y-on-y

## Mobile ARPU growing

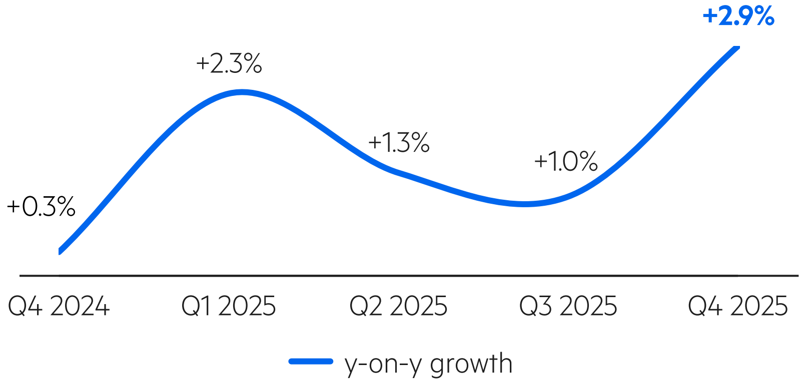
**€ 17**

+0.5% y-on-y

## Fixed service revenue growth moderated




## Mobile service revenue trend improved



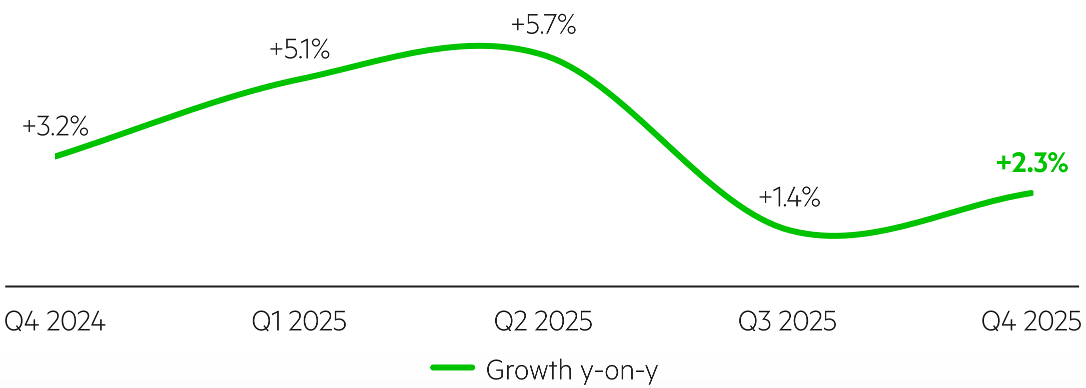

1. Corrected for migrations to, and new customers of, business propositions (6k in Q4 2025, 5k in Q3 2025, 4k in Q2 2025, 4k in Q1 2025 and 5k in Q4 2024)

# **B2B:** Sustained commercial momentum, highlighted by strong broadband base growth

## Key take-aways

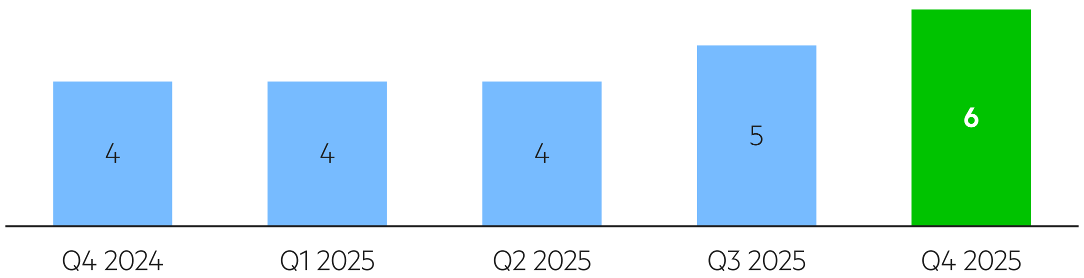
- Business service revenues increased 2.3% y-on-y, driven by SME and LCE
- Continued strong commercial performance in Mobile (+25k) and Broadband (+6k)
- SME increased 5.8% y-on-y, driven by Broadband, Mobile and Cloud & Workspace
- LCE increased 0.7% y-on-y, driven by Unified Communications, CPaaS and IoT, partly offset by ongoing price pressure in Mobile
- Tailored Solutions decreased 2.2% y-on-y, reflecting focus on margins through contract changes
- NPS improved to +6 and KPN remains the clear leader in Dutch telco Business market

## Adj. Service Revenue trend




## Industry-leading NPS[1]

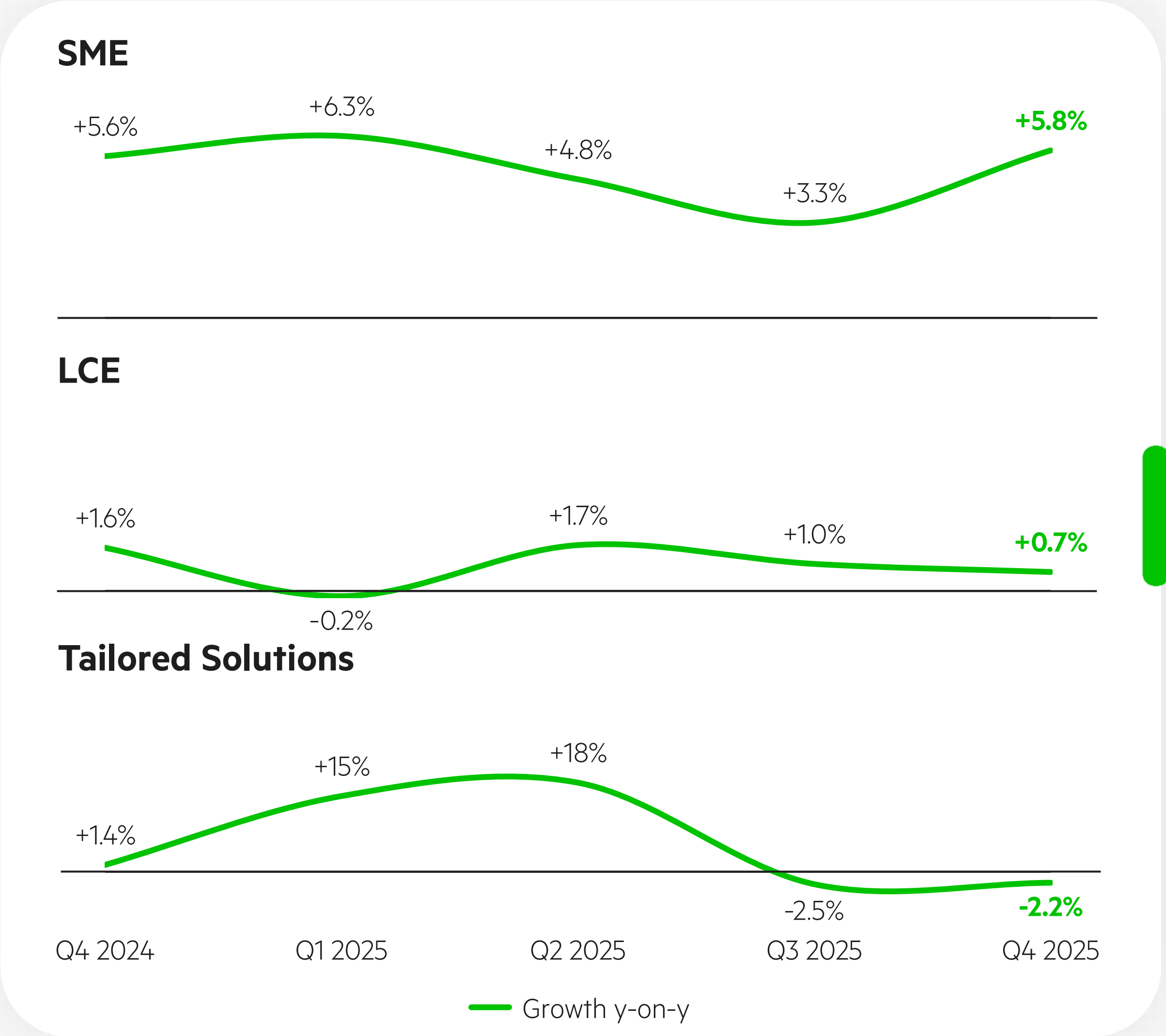
(YTD)

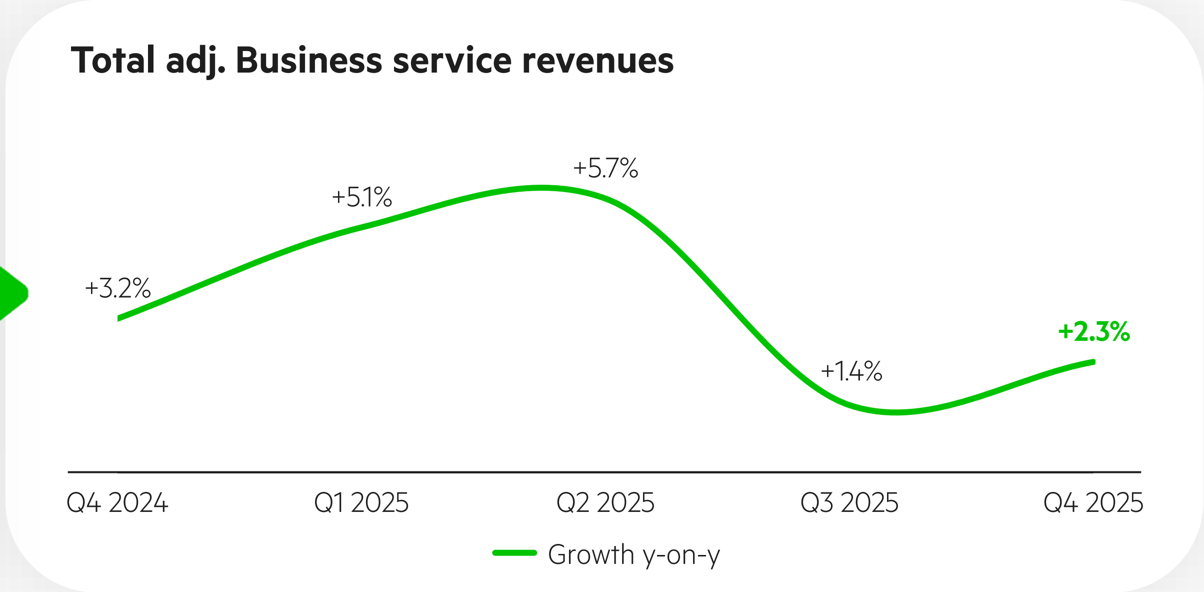



| **Segment revenues** (€ m) | **Q4 2024** | **Q4 2025** | **Δ y-on-y** |
|---|---|---|---|
| SME | 186 | 196 | +5.8% |
| LCE | 193 | 194 | +0.7% |
| Tailored Solutions | 80 | 78 | -2.2% |
| **Adj. Business service revenues** | **458** | **469** | **+2.3%** |
| Non-service revenues & other | 26 | 31 | +19% |
| **Adj. Business revenues** | **485** | **500** | **+3.2%** |

1. Source: Kantar TNS

# **B2B:** Growth mainly driven by SME



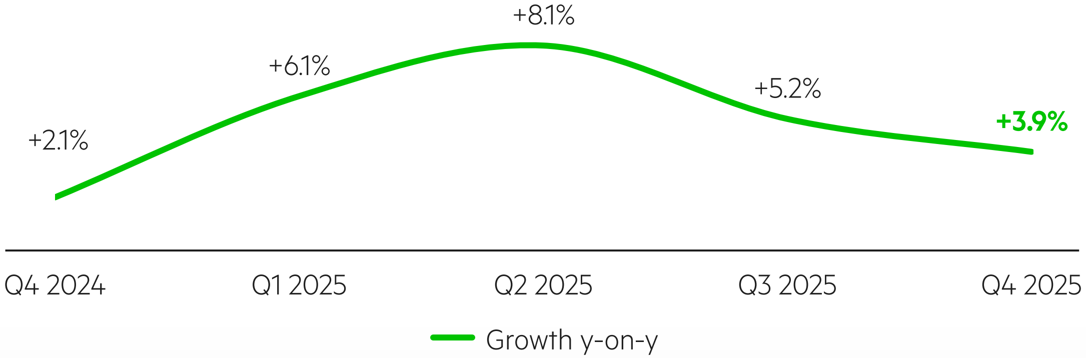



# **Wholesale:** Service revenues continued to grow

## Key take-aways

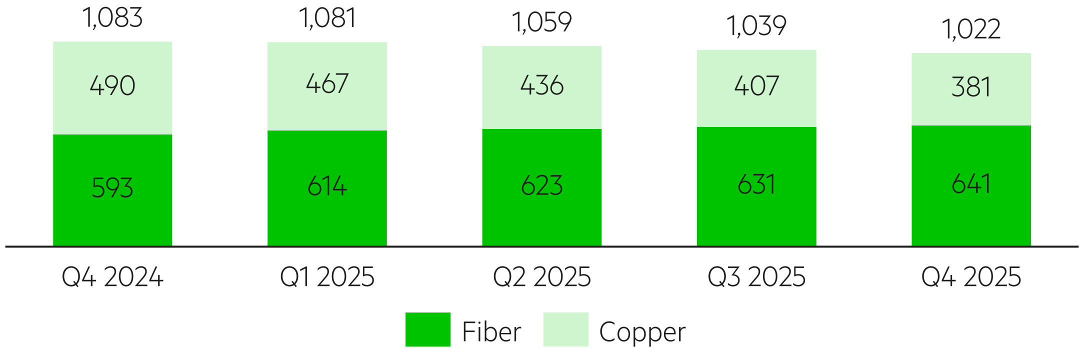
- Service revenues increased 3.9% y-on-y, mainly driven by ongoing growth in international sponsored roaming
- Broadband service revenues grew 0.7% y-on-y, driven by fiber service revenues and services to Glaspoort, partly offset by a declining copper base
- Mobile service revenues increased 11% y-on-y, mainly driven by international sponsored roaming
- Other service revenues increased 2.8% y-on-y, mainly driven by an uptake in visitor roaming

## Adj. Service Revenue trend



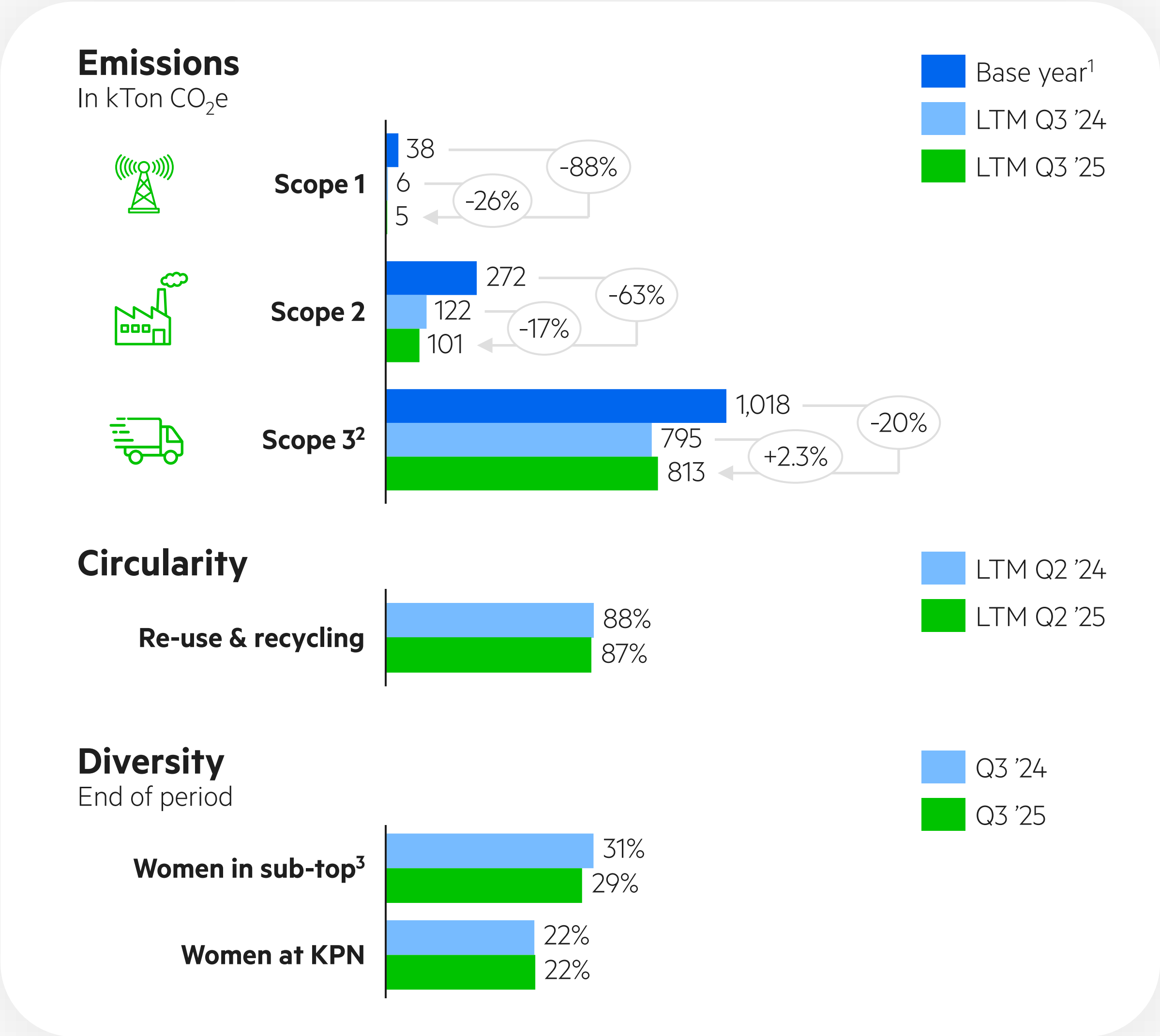

## Broadband customer base

(k)




| **Segment revenues** (€ m) | **Q4 2024** | **Q4 2025** | **Δ y-on-y** |
|---|---|---|---|
| Broadband service revenues | 77 | 78 | +0.7% |
| *o/w Fiber broadband* | *39* | *45* | *+17%* |
| *o/w Copper broadband* | *33* | *25* | *-24%* |
| *o/w Other* | *5* | *7* | *+38%* |
| Mobile service revenues | 40 | 45 | +11% |
| Other service revenues | 45 | 45 | +2.8% |
| **Adj. Wholesale service revenues** | **162** | **168** | **+3.9%** |
| Non-service revenues & other | 1 | 2 | +83% |
| **Adj. Wholesale revenues** | **163** | **170** | **+4.3%** |

# ESG dashboard: Continued progress on Scope 1 and 2 emissions




**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: <4 kTon by 2040 via continued electrification of fleet

**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)
- FY'24 emissions increased y-on-y due to increased scope vs. last year
- Ambition: net zero $CO_2e$ 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
- Ambition: ≥86% re-use and recycling in 2027 based on outflow of materials post fiber roll out

**Diversity**

- Achieved: Board of Management consists of 50% and Supervisory Board of 37.5% female members
- Ambition: 23% women at KPN and 36% women in sub-top positions by 2025

1. Baseline year is 2015 2. Scope 3 is measured from FY '23 to FY '24
3. Direct reports to Board of Management in management positions

# Financial Performance

# **Summary:** Q4 & FY 2025 results

| | Q4 2025 | FY 2025 | Q4 2024 | FY 2024 |
|---|---|---|---|---|
| **Adj. revenues** | € 1,484m +2.7% | € 5,829m +3.5% | € 1,445m | € 5,634m |
| **Adj. net indirect opex AL** | € 430m -€ 13m | € 1,686m -€ 10m | € 444m | € 1,697m |
| **Adj. EBITDA AL** | € 662m +5.1% | € 2,636m +5.1% | € 630m | € 2,508m |
| **Net profit** | € 240m +12% | € 855m +0.9% | € 215m | € 847m |
| **Leverage ratio** | 2.4x | | 2.4x | |
| **Capex** | € 361m +7.7% | € 1,263m +0.6% | € 335m | € 1,255m |
| **Operational FCF** | € 301m +2.1% | € 1,373m +9.6% | € 295m | € 1,253m |
| **FCF** | € 346m -3.4% | € 952m +5.8% | € 358m | € 900m |
| **FCF per share[1]** | | € 24.7ct +7.1% | | € 23.1ct |

**Q4 adjusted revenues +2.7% y-on-y**

- Driven by higher service revenues across all segments and higher non-service revenues & other

**Q4 adjusted EBITDA AL +5.1% y-on-y**

- Driven by higher revenues and lower indirect opex
- Adjusted EBITDA AL margin increased by 100bps to 44.6%

**FY FCF of € 952m (+5.8% y-on-y)**

- Mainly driven by EBITDA growth
- FCF per share +7.1% y-on-y

1. FCF per share is calculated by dividing the Free Cash Flow by the weighted-average number of outstanding ordinary shares in the respective year



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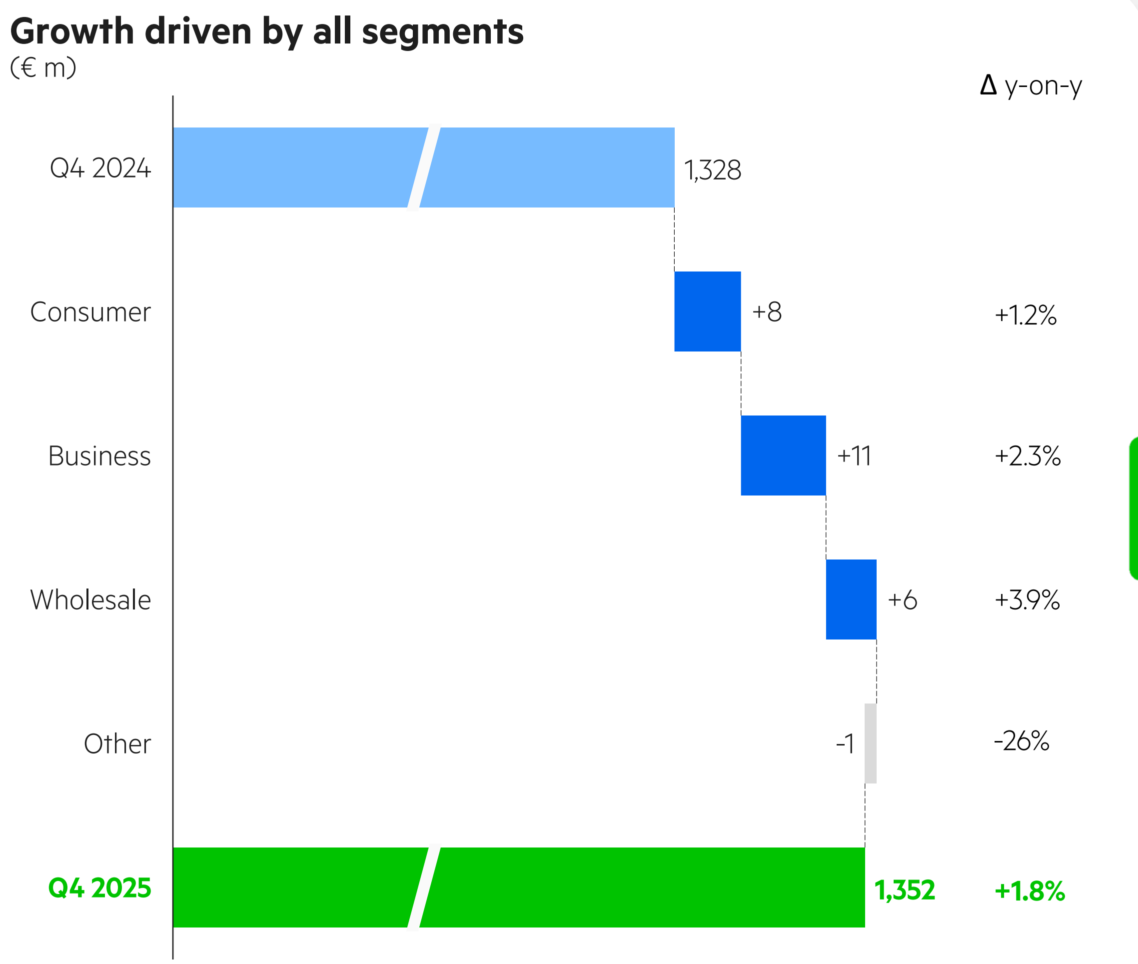
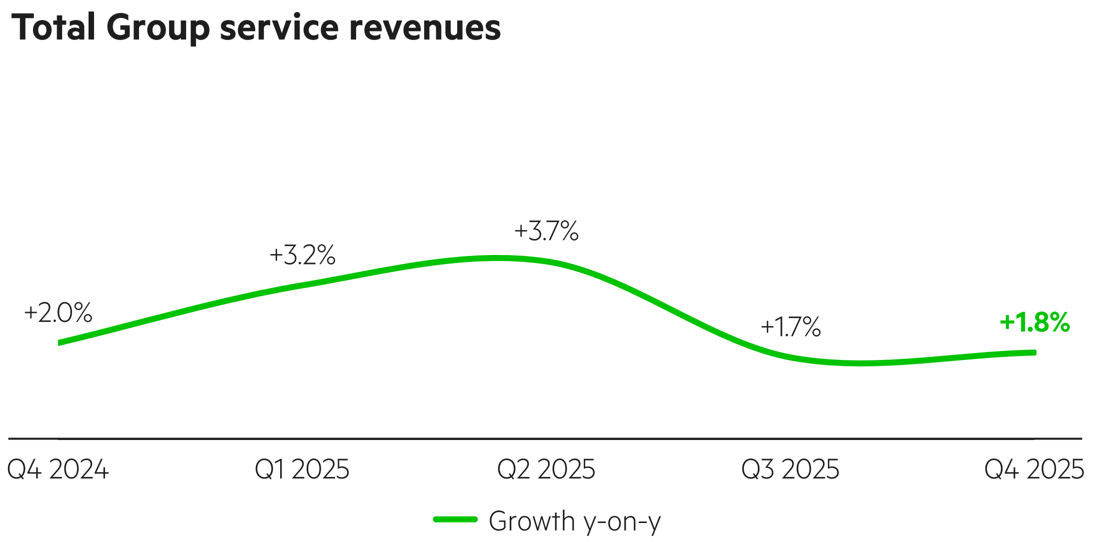
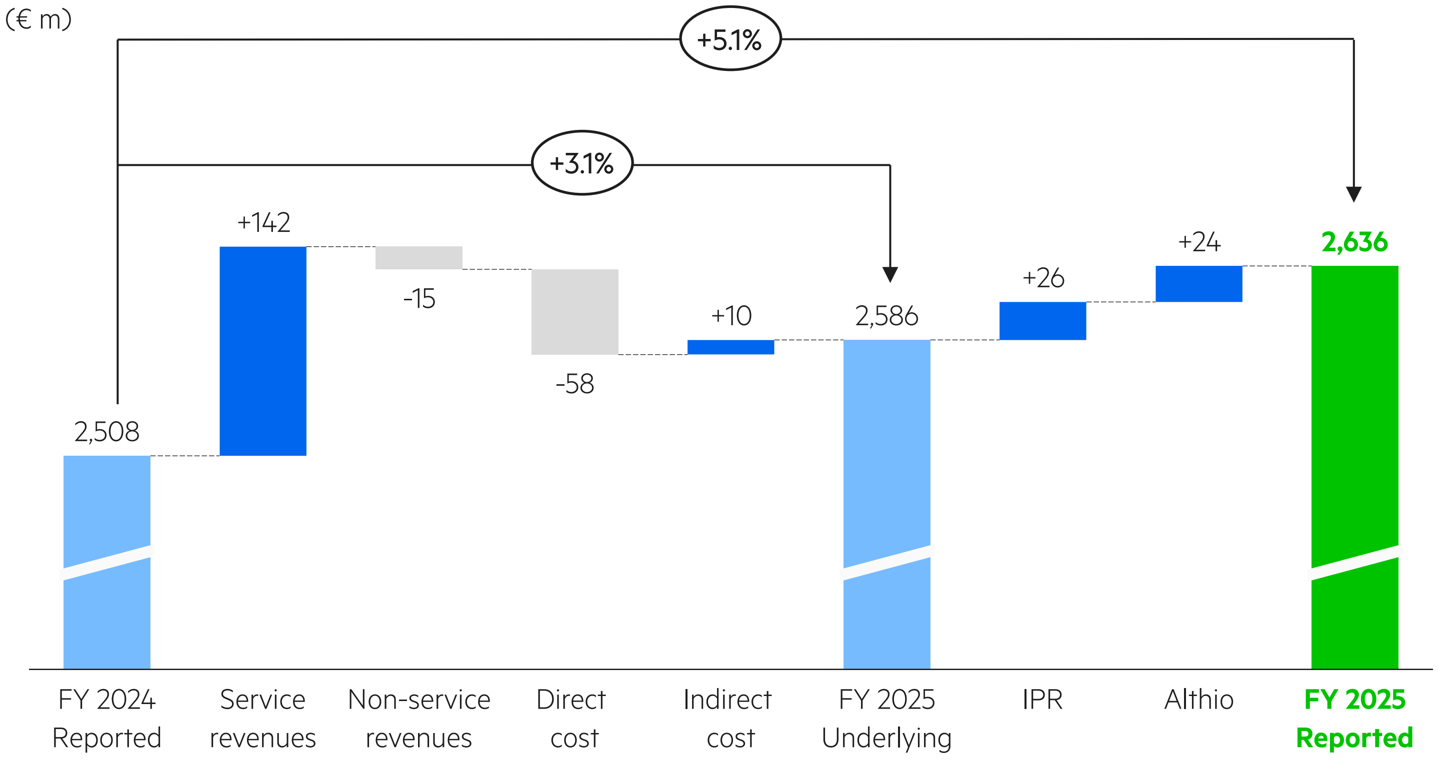
# **Continued Group service revenues,** supported by all segments



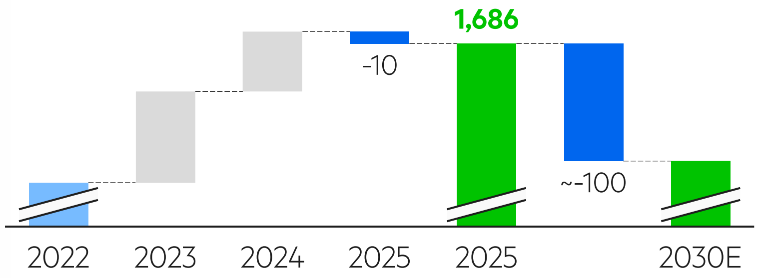



# **Adjusted EBITDA AL growth,** driven by higher service revenues and lower indirect cost



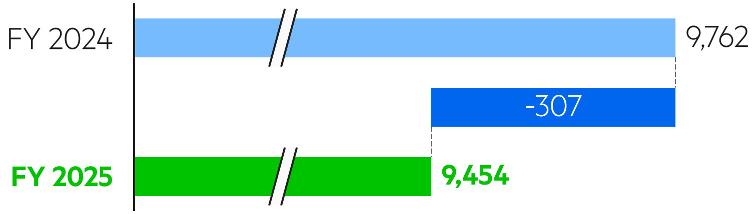

### Indirect Opex development

(€ m)

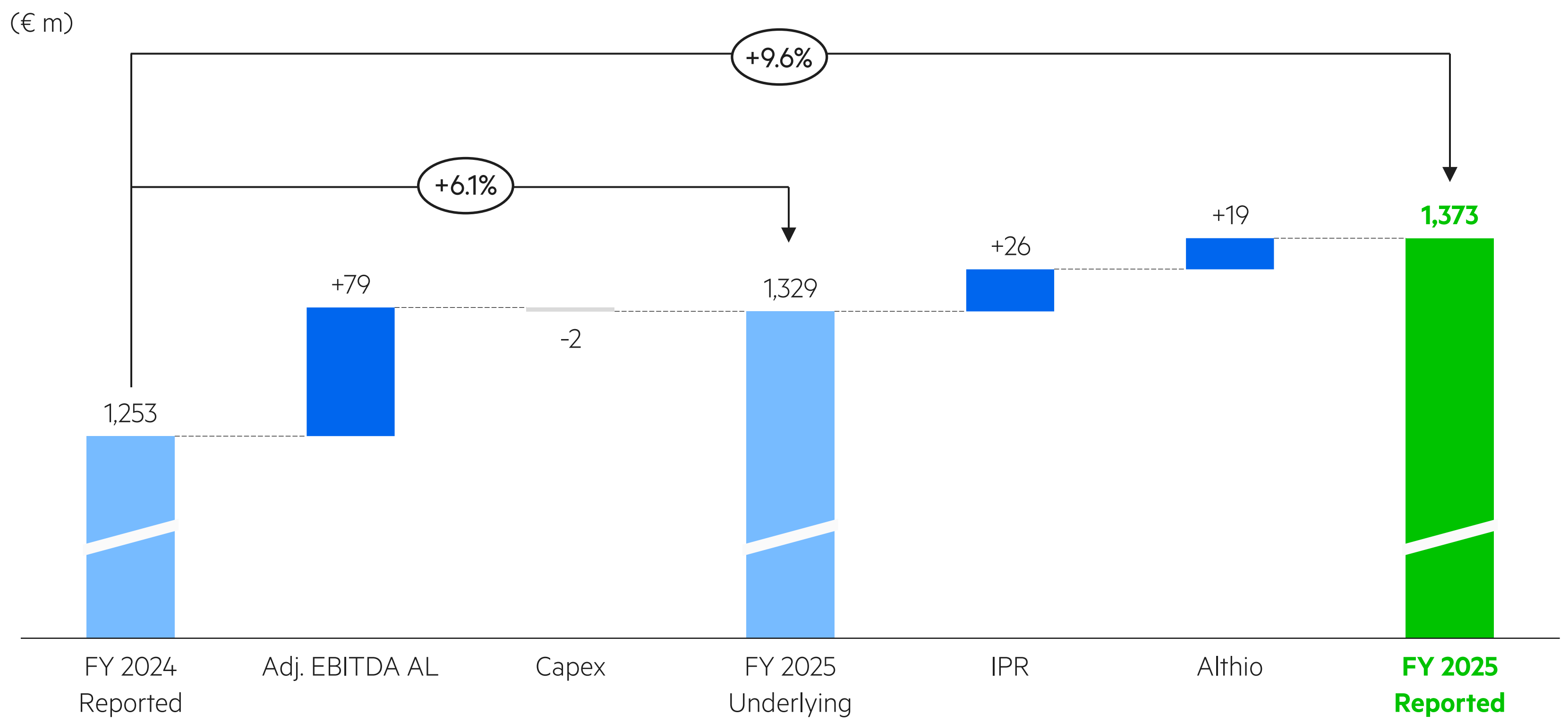



### FTE development

End of period

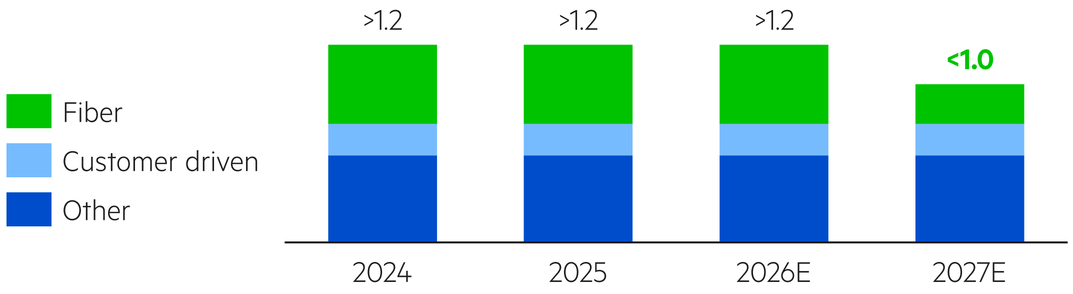


# **Continued Operational FCF growth,** mainly driven by higher EBITDA



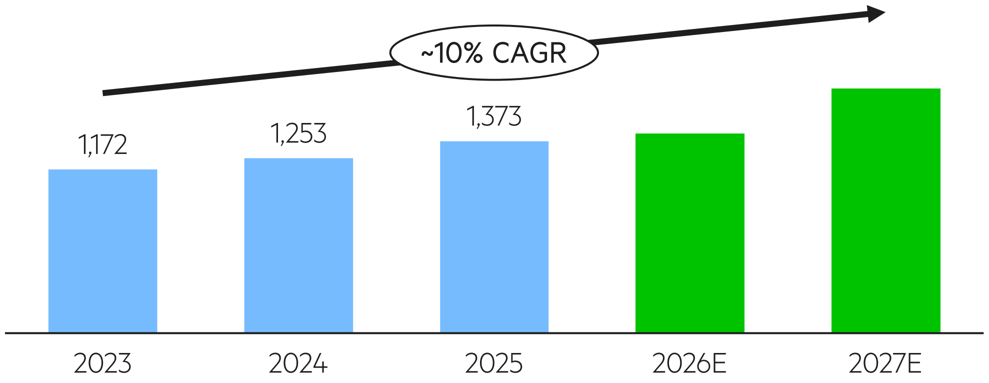
# Committed to deliver Capex step-down, lifting cash margins

## Capex evolution
(€ bn)



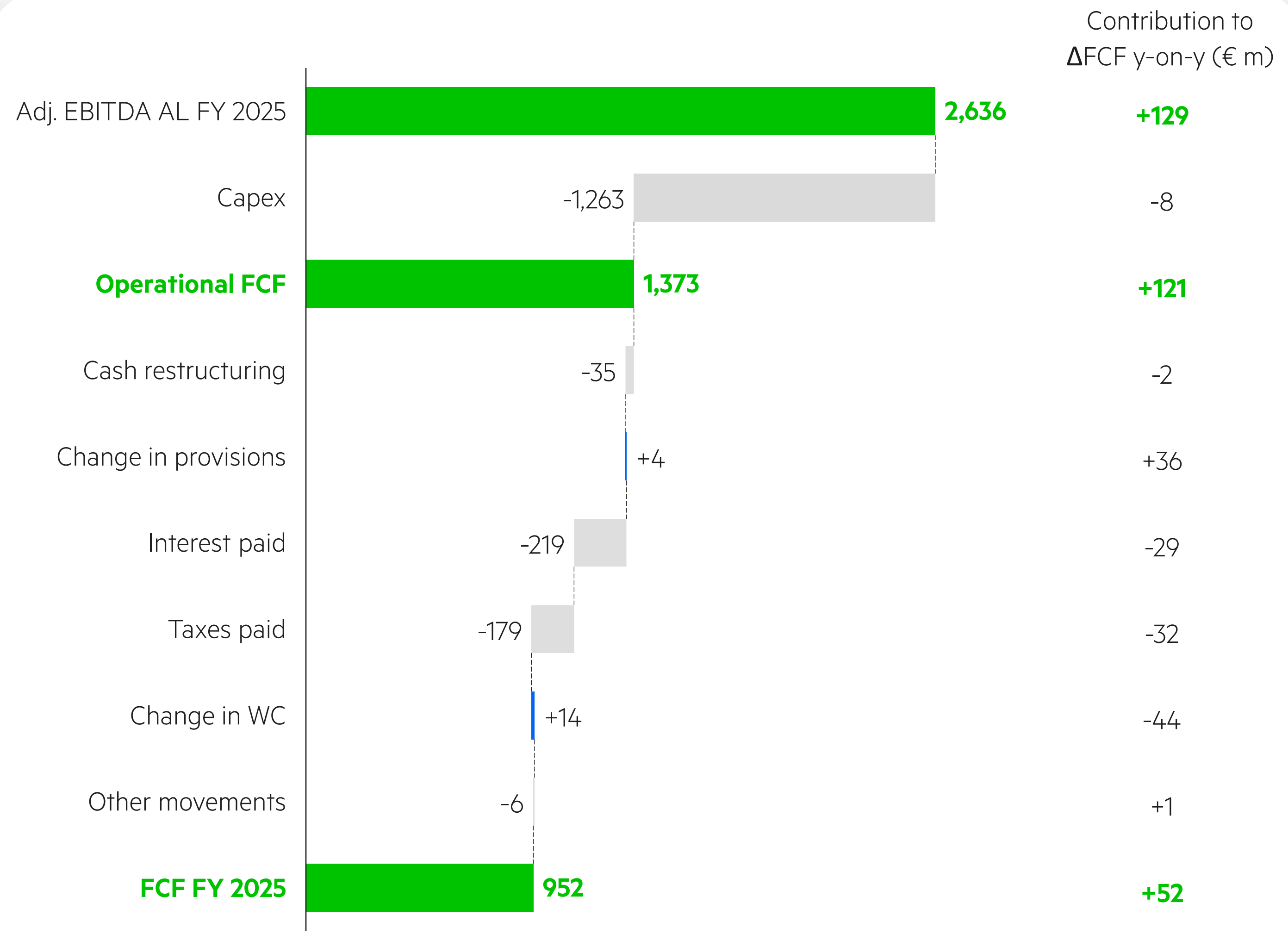

| As % of service revenues | 24% | 24% | ~23% | 17-18% |
|---|---|---|---|---|

## Operational Free Cash Flow development
(€ m)




| OpFCF margin | 22% | 22% | 24% | ~24% | ~30% |
|---|---|---|---|---|---|

# **FY FCF generation,** mainly supported by EBITDA growth




**FY 2025 FCF** of **€ 952m**, 5.8% higher y-on-y, mainly driven by EBITDA growth, partly offset by:

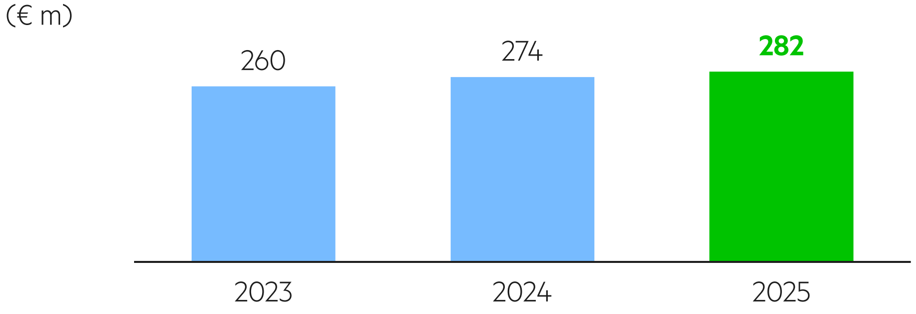
- Changes in working capital;
- Higher cash taxes; and
- Higher interest payments

| (€ m) | FY 2024 | FY 2025 | Δ y-on-y |
|---|---|---|---|
| **Free Cash Flow** | **900** | **952** | **5.8%** |
| *As % of adj. revenues* | *16%* | *16%* | |
| Acquisitions & disposals | -182 | -132 | -28% |
| Change in short-term investments | 93 | -47 | n.m. |
| Other investing cash flow | -132 | 17 | n.m. |
| Dividends paid | -646 | -675 | 4.3% |
| Share repurchase | -200 | -250 | 25% |
| Other financing cash flow | 221 | -123 | n.m. |
| Cash flow from discontinued operations | - | - | n.m. |
| **Change in net cash & cash equivalents** | **53** | **-257** | **n.m.** |
| | | | |
| **Net cash & cash equivalents BoP** | **609** | **662** | **+8.7%** |
| Change in net cash & cash equivalents | 53 | -257 | n.m. |
| **Net cash & cash equivalents EoP** | **662** | **405** | **-39%** |
| Short-term investments | 100 | 147 | 47% |
| **Cash & short-term investments** | **762** | **552** | **-28%** |

# Steadily improving Return on Capital

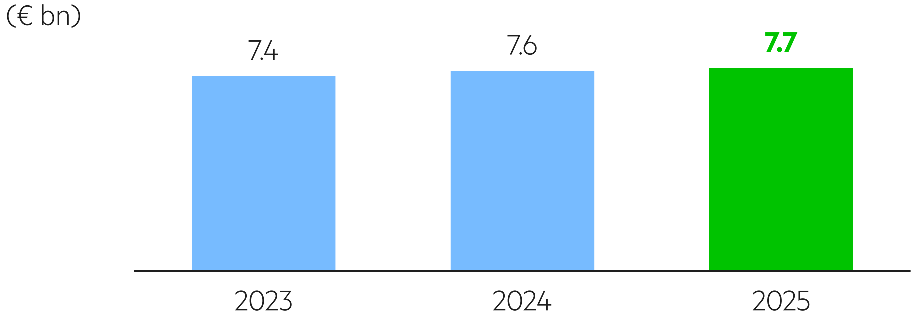
## NOPLAT

- Improving adjusted EBITDA AL

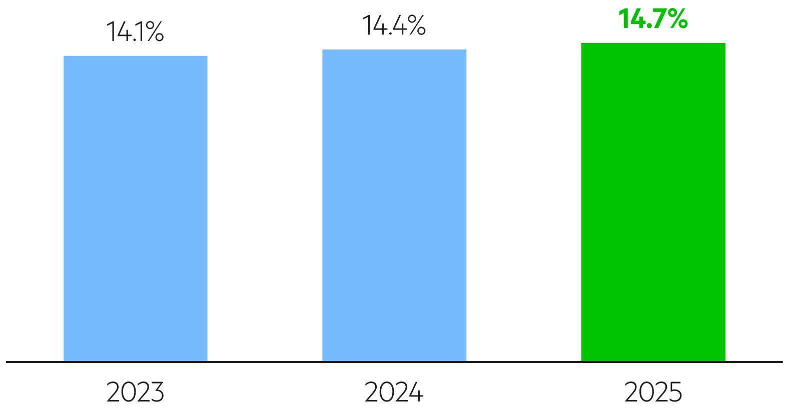



## Capital Employed

- Increasing due to network investments

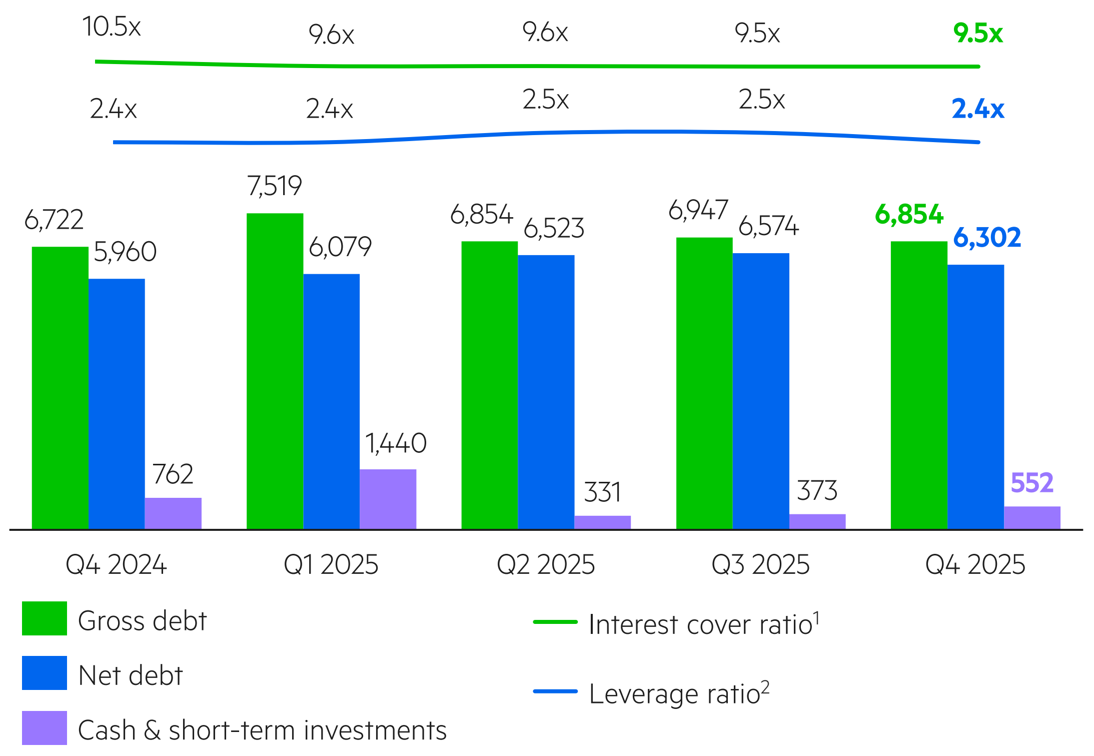



## ROCE[1]




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

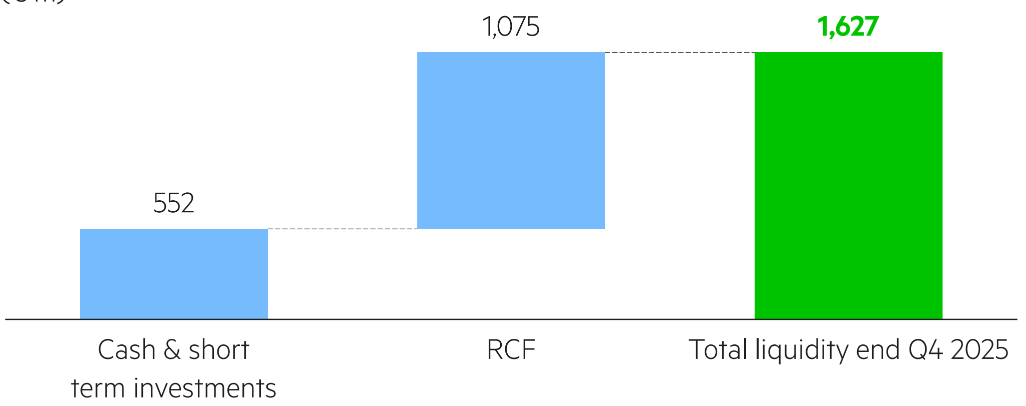
# **Robust liquidity position,** committed to investment-grade credit profile




- Slightly lower gross debt due to net redemption of commercial paper
- Net debt reduced to € 6.3bn driven by FCF generation in Q4'25
- Leverage 0.1x lower at 2.4x; stable y-on-y
- Strong liquidity position of € 1.6bn, covering debt maturities until 2028[3]
- Weighted average cost of senior debt 4bps lower q-on-q at 3.49% (-29bps y-on-y)

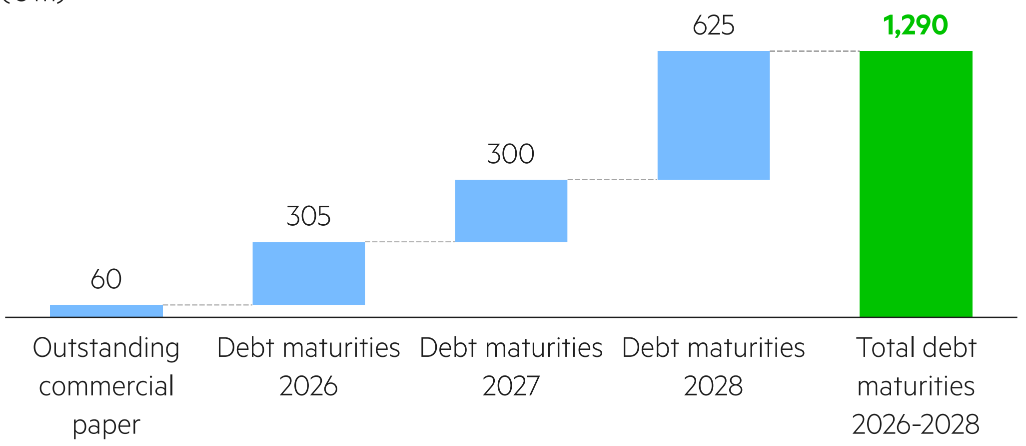
## Robust liquidity...

(€ m)




## ...covering debt maturities until 2028[3]

(€ m)




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 and assuming roll-over of credit facilities

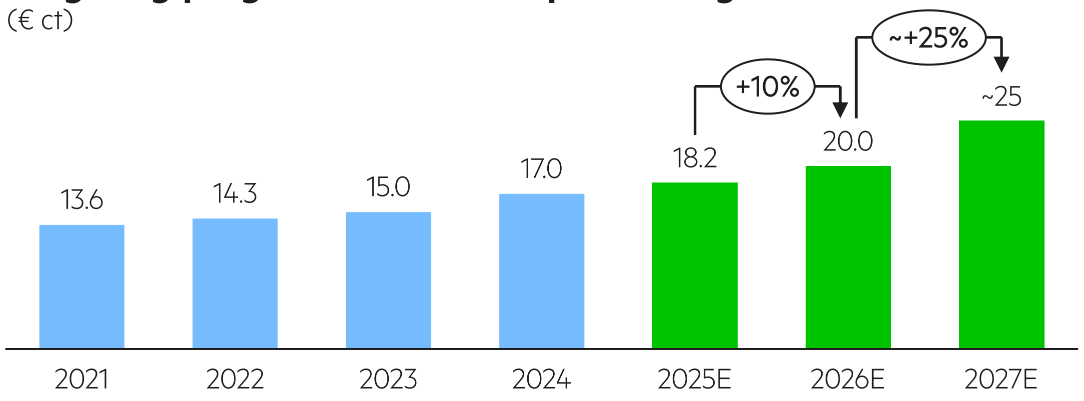
# Outlook 2026 and ambitions 2027

| | Achievements FY 2025 | Outlook FY 2026 | Ambition FY 2027[1] |
|---|---|---|---|
| **Service revenues** | +2.7% | +2 to 2.5% | ~3% CAGR |
| **Adj. EBITDA AL** | € 2,636m | ~€ 2,670m | ~3% CAGR |
| **Capex** | € 1,263m | ~€ 1.25bn | <€ 1.0bn |
| **Free Cash Flow** | € 952m | >€ 950m | ~7% CAGR |
| **DPS** | € 18.2ct[2] | € 20.0ct | ~14% CAGR[3] |
| **Share buyback** | € 250m | € 250m | Up to € 1bn<br>2024-2027 period |

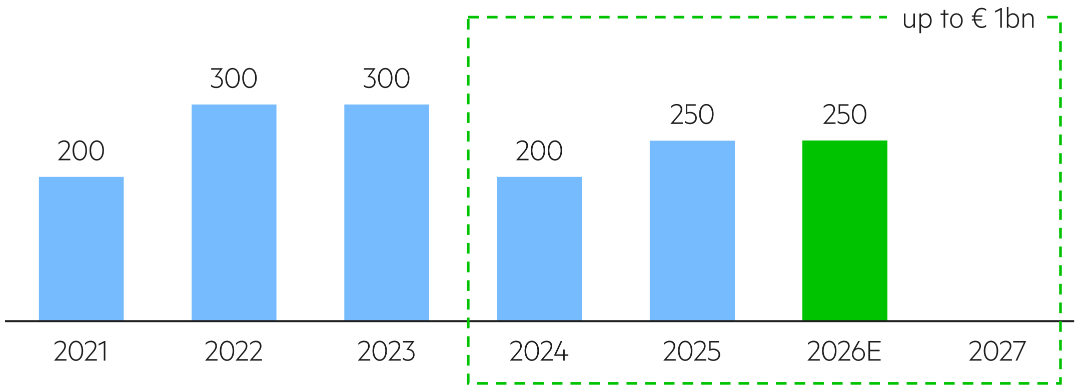
1. CAGR compared to 2023, unless stated otherwise.
2. KPN will pay a final dividend of € 10.9ct per share on 27 April 2026, subject to AGM approval. The provisional ex-dividend date is 17 April 2026.. 3. CAGR compared to 2024

# **Ongoing attractive returns** to shareholders

### Targeting progressive dividend per share growth
(€ ct)




### Objective to return excess FCF through share buybacks
(€ m)




**Distribution policy reiterated**

- Full FCF returned via continued DPS growth and share buybacks (SBB)

**Dividend around ~80% of FCF as of 2026, targeting**

- 2026: DPS € 20ct
- 2027: DPS ~€ 25ct
- 2027-2030: Mid-single digit CAGR, aligned with FCF growth

**Objective to return remaining FCF through share buybacks**

1. KPN will pay a final dividend of € 10.9ct per share on 27 April 2026, subject to AGM approval. The provisional ex-dividend date is 17 April 2026..

# **Highlights:** KPN delivered on FY25 outlook; fully on track to achieve mid-term ambitions

- **FY25 service revenues +2.7% y-on-y, adj. EBITDA AL of € 2,636m and FCF of € 952m**
- **Indirect costs declined** € 10m y-o-y in 2025, marking an inflection in operational performance
- **Continued Group service revenue growth** in Q4 (+1.8% y-on-y), with all segments contributing
- **Consumer service revenues up** 1.2% y-on-y in Q4, supported by improving mobile service revenue trend
- **Sustained commercial momentum** in broadband: +12k net adds in Q4 and record +38k in FY25
- **Business service revenues increased** 2.3% y-on-y in Q4, mainly driven by SME
- **Wholesale service revenue growth** 3.9% y-on-y in Q4, mainly driven by international sponsored roaming
- **Leading the Dutch fiber market**: adding 440k homes passed and 399k homes connected in FY25[1]
- **2026 outlook:** Service revenue growth: 2-2.5%, adj. EBITDA AL ~€ 2,670m, Capex ~€ 1.25bn, FCF >€ 950m
- **10% DPS growth (€ 0.20 per share) and new € 250m share buyback**, returning all FCF to shareholders



1. Incl. KPN and Glaspoort, and third-party networks in which KPN or Glaspoort hold a call option, and which are expected to be consolidated over time.

# Appendices

- Tax
- Debt portfolio

# **Tax** Q4 & FY 2025

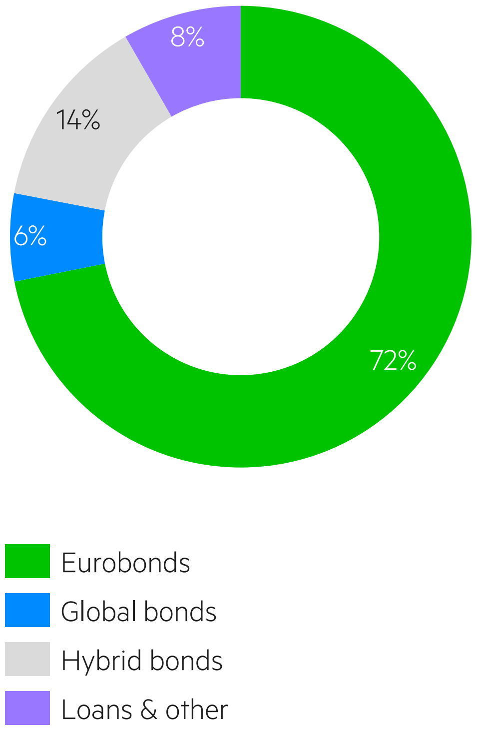
| | P&L | | Cash flow | | P&L | | Cash flow | |
|---|---|---|---|---|---|---|---|---|
| **Regions** (€ m) | **Q4 2024** | **Q4 2025** | **Q4 2024** | **Q4 2025** | **FY 2024** | **FY 2025** | **FY 2024** | **FY 2025** |
| The Netherlands | -55 | -34 | -48 | -49 | -238 | -217 | -147 | -179 |
| Other | | | | | | | | |
| **Total reported tax** | **-55** | **-34** | **-48** | **-49** | **-238** | **-217** | **-147** | **-179** |
| Of which discontinued operations | | | | | | | | |
| **Reported tax from continuing operations** | **-55** | **-34** | **-48** | **-49** | **-238** | **-217** | **-147** | **-179** |
| Effective tax rate continuing operations | 19.9% | 12.4% | | | 21.7% | 20.0% | | |

- The effective tax rate was mainly influenced by the Innovation Box facility, one-off effects[1] (including the recognition of deferred taxes on real estate depreciation in Q4 2025) and the tax effect of perpetual hybrid bonds
- The normalized tax rate is ~23% for 2025 (adjusted for iBox, one-off effects[1] and the tax effect of perpetual hybrid bonds)
- For 2026, the effective tax rate is expected to be **~23%**
- Next to the operating tax cash flow stated above, an amount of € 15m was received related to investing activities (Glaspoort) in 2024

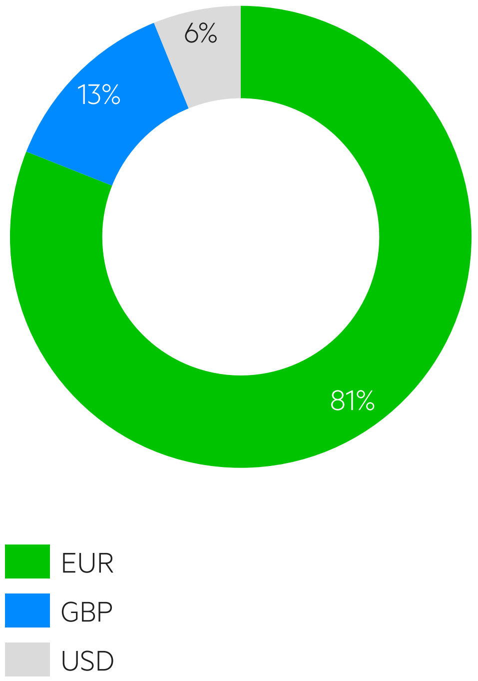
1. Among others, tax law changes, settlements with tax authorities, impairments, results on disposals of subsidiaries and revaluations

# Debt portfolio

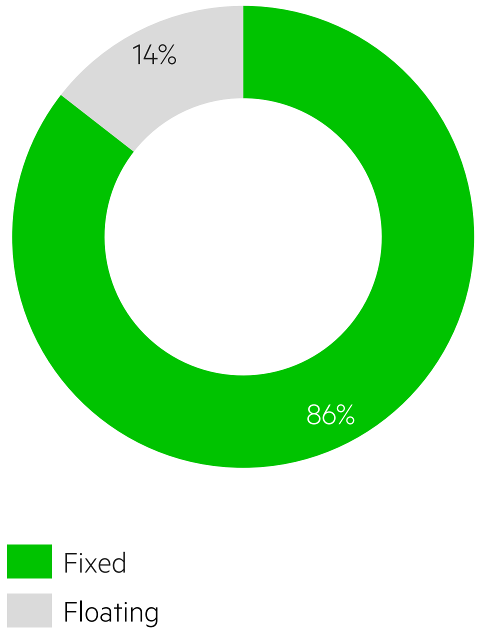
## Nominal debt by type[1]



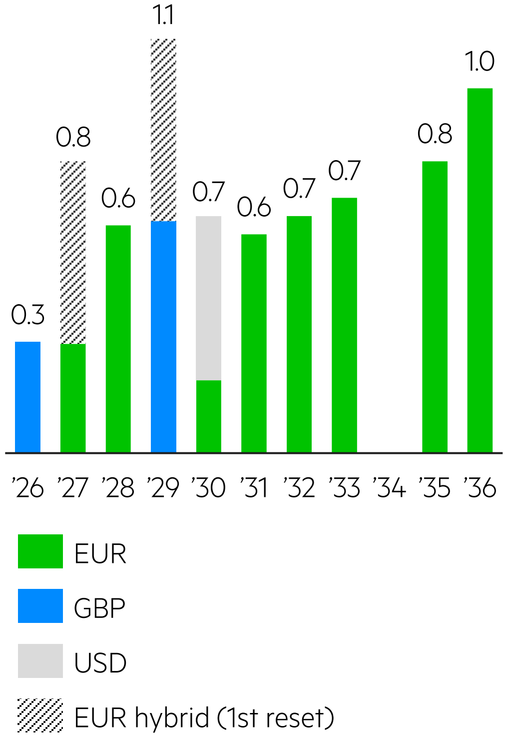

## Nominal debt by currency[1]




## Fixed vs. floating interest[1]




## Debt redemption profile[1]




1. Based on the nominal value of interest-bearing liabilities after swap to EUR as per 31 December 2025

2. Includes outstanding bonds and loans, excluding commercial paper