

## KPN continues to deliver on strategic and financial objectives

- Continued Group service revenue growth (+3.7% y-on-y), driven by Consumer and Business segments
- Consumer service revenue growth (+7.7% y-on-y, or +4.3% corrected for Youfone)
- Ongoing commercial momentum in Consumer postpaid (+540k, of which 499k related to Youfone acquisition)
- Positive broadband net adds (+59k, of which 56k related to Youfone acquisition) despite continued challenging competitive environment
- Business service revenue growth (+3.7% y-on-y, or +4.4% corrected for Youfone and divestments in LCE), mainly driven by SME
- Adj. EBITDA AL +5.6% y-on-y in Q2 2024, or 4.7% corrected for Youfone; Solid FCF generation in H1 2024, supported by EBITDA
- Expanded fiber footprint with +134k HP in Q2 2024 (+168k HP incl. Glaspoort)
- Signed a strategic partnership with ABP to create new TowerCo
- Obtained 100MHz in 3.5GHz spectrum auction for € 58.4m
- On track to reach full-year 2024 outlook

### Message from the CEO, Joost Farwerck

“We continue to make good progress in the execution of our ‘Connect, Activate & Grow’ strategy. We are on track with our fiber roll out with strong delivery on homes connected. We announced a strategic partnership with ABP to jointly create a leading Tower Company in the Netherlands. This, combined with the newly acquired 3.5GHz spectrum marks an important next step in our strategy and demonstrates our intent to continue to operate the best digital infrastructure in the Netherlands. The quality of our service is reflected in our leading customer satisfaction levels in both Consumer and Business.

On 4 April, the acquisition of Youfone was completed, and from that date, Youfone’s financials and operational metrics are included in our financial statements. In the second quarter, our Consumer service revenues continued to grow, supported by another quarter of solid base inflow in mobile and ongoing fiber broadband service revenue growth. The overall broadband market remains challenging though with increased churn in our copper business. Business service revenues showed continued growth, with SME making a strong contribution once again. Within B2B, achieving sustainable inflection in our LCE business remains a priority. As expected, Wholesale declined due to Youfone, a decrease in low-margin interconnect revenues and increased competition in the wider broadband market, but with the current level of fiber roll out and our attractive portfolio, we are confident that performance in Wholesale will improve.

Employee engagement remains strong, and I thank my colleagues for going all out every day to connect everyone to a sustainable future. We continue to make significant steps on our sustainability agenda. Supporting this, we signed an agreement with Eneco for the purchase of solar energy from the beginning of 2025 and we issued again a Green Hybrid Bond to finance projects that support KPN’s ambitious sustainability targets. Furthermore, we were once again awarded a Platinum medal by EcoVadis as a recognition of our Corporate Social Responsibility Rating.

We are confident to deliver on our full-year 2024 outlook and we remain on track to deliver on our mid-term ambitions as outlined during our Capital Markets Day, including shareholder distributions. The first step, a € 200 million share buyback for this year has been completed.”

### Key figures

Group financials (unaudited) (in € m, unless stated otherwise)	Q2 2023	Q2 2024	Δ y-on-y	H1 2023	H1 2024	Δ y-on-y
Adjusted revenues	1,331	1,391	+4.5%	2,664	2,768	+3.9%
Service revenues	1,245	1,292	+3.7%	2,472	2,562	+3.7%
Adjusted EBITDA AL	596	629	+5.6%	1,180	1,235	+4.6%
As % of adjusted revenues	44.8%	45.2%		44.3%	44.6%	
Operating profit (EBIT)	337	357	+5.7%	653	694	+6.2%
Net profit	216	227	+5.1%	412	401	-2.6%
Capex	304	337	+11%	602	640	+6.3%
As % of adjusted revenues	22.8%	24.2%		22.6%	23.1%	
Operational Free Cash Flow	292	292	0.0%	578	595	+2.9%
As % of adjusted revenues	21.9%	21.0%		21.7%	21.5%	
Free Cash Flow	190	210	+11%	354	364	+3.0%
As % of adjusted revenues	14.2%	15.1%		13.3%	13.2%	
Net debt				5,739	6,039	
ROCE				13.7%	14.4%	

## Continued operational momentum in mobile

- **Consumer:** service revenues driven by base growth and higher ARPU
  - Fixed-Mobile households: +99k net adds (Q1 2024: +12k); Fixed-Mobile ARPA at € 87 (+5.4% y-on-y)
  - Broadband: +59k<sup>1</sup> net adds (of which 56k from the Youfone acquisition); ARPU fixed € 53 (+2.3% y-on-y); +61k fiber net adds
  - Postpaid: +540k net adds (of which 499k from the Youfone acquisition); ARPU 1.9% higher at € 17
  - NPS at +17 (Q1 2024: +17)
- **Business:** service revenues driven by SME and Tailored Solutions
  - Broadband lines: stable (Q1 2024: +5k)
  - Mobile SIMs: +62k net adds (of which 42k from the Youfone acquisition), (Q1 2024: +2k)
  - NPS at +4 (Q2 2023: +5)
- **Wholesale:** like-for-like service revenues impacted mainly due to lower interconnect revenues
  - Broadband lines: -6k<sup>2</sup> net adds (Q1 2024: -7k)
  - Postpaid SIMs: +8k<sup>2</sup> net adds (Q1 2024: +23k)
- **Network:** steady expansion fiber footprint, covering 60% of the Netherlands (including Glaspoort)
  - Signed strategic partnership with ABP to create new TowerCo
  - Obtained 100MHz in 3.5GHz spectrum auction

## Good financial performance

- **Adjusted revenues** increased 4.5% y-on-y, or 4.2% corrected for Youfone acquisition and divestments in LCE. Growth was driven by Group service revenues and higher proceeds from asset monetization. H1 2024 adj. revenues increased 3.9% y-on-y, or 3.8% underlying
- **Adjusted EBITDA AL** was +5.6% y-on-y, or +4.7% corrected for Youfone, supported by continued Group service revenue growth and higher non-service revenues, partly offset by higher costs. Adjusted EBITDA AL margin at 45.2% (Q2 2023: 44.8%). H1 2024 adjusted EBITDA AL increased 4.6% y-on-y, or 4.2% underlying
- **Net profit** increased 5.1% y-on-y. H1 2024 net profit decreased 2.6% y-on-y, mainly due to one-off refinancing costs in Q1
- **Capex** of € 337m was € 34m higher y-on-y in Q2 2024, driven by timing of investment projects. H1 2024 Capex increased € 38m y-on-y
- **Operational Free Cash Flow** of € 292m was in line with previous year, driven by higher adjusted EBITDA AL and offset by intra-year Capex phasing. H1 2024 Operational Free Cash Flow increased 2.9% y-on-y
- **Free Cash Flow** of € 210m increased € 20m y-on-y in Q2 2024, driven by working capital improvements. H1 2024 Free Cash Flow was € 11m higher compared to the same period last year, mainly due to higher adjusted EBITDA AL
- Steadily improving **ROCE** to 14.4% in H1 2024 (+75bps y-on-y), driven by operational efficiencies
- Solid **liquidity** position of € 2,107m, covering debt maturities until 2026

## Outlook 2024 reiterated

KPN maintains its FY 2024 outlook for adjusted EBITDA AL of approximately € 2,500m, Capex of approximately € 1.2bn, and Free Cash Flow of more than € 890m. KPN reiterates its mid-term ambitions as provided at the Capital Markets Day on 7 November 2023. KPN intends to pay a regular dividend per share of € 17.0 cents over 2024. An interim dividend of € 6.8 cents per share will be paid on 1 August. The ex-dividend date is 26 July. In Q2 2024, KPN completed a share buyback program of € 200m. In total, KPN repurchased 59,987,360 ordinary shares at an average price of € 3.33 per share.

	Achievements	Outlook	Ambitions
	H1 2024	FY 2024	FY 2027 <sup>3</sup>
<b>Service Revenues</b>	+3.7%	~3%	~3% CAGR
<b>Adjusted EBITDA AL</b>	€ 1,235m	~€ 2,500m	~3% CAGR
<b>Capex</b>	€ 640m	~€ 1.2bn	<€ 1.0bn
<b>Free Cash Flow</b>	€ 364m	>€ 890m	~7% CAGR
<b>Regular DPS</b>	€ 6.8ct <i>Interim dividend</i>	€ 17.0ct	~7% CAGR vs. 2024
<b>Share buyback</b>	€ 200m	€ 200m	Up to € 1.0bn 2024-2027 period

<sup>1</sup> Corrected for migrations to, and new customers of, business propositions (5k in Q2 2024, 6k in Q1 2024, 6k in Q4 2023, 6k in Q3 2023 and 4k in Q2 2023)

<sup>2</sup> Corrected for migration of Youfone customers from Wholesale to Consumer and Business

<sup>3</sup> CAGR compared to FY 2023, unless stated otherwise

## Financial review KPN Group Q2 and H1 2024

### Key financial metrics

Group financials (unaudited) <i>(in € m, unless stated otherwise)</i>	Q2 2023	Q2 2024	Δ y-on-y	H1 2023	H1 2024	Δ y-on-y
Service revenues	1,245	1,292	+3.7%	2,472	2,562	+3.7%
Non-service revenues & other	86	100	+16%	192	206	+7.0%
<b>Adjusted revenues</b>	<b>1,331</b>	<b>1,391</b>	<b>+4.5%</b>	<b>2,664</b>	<b>2,768</b>	<b>+3.9%</b>
Cost of goods & services	324	342	+5.3%	669	690	+3.1%
Personnel expenses	206	215	+4.4%	411	429	+4.2%
IT/TI	77	75	-2.8%	147	153	+3.8%
Other operating expenses	91	92	+0.9%	183	185	+1.3%
Total adjusted opex	699	724	+3.6%	1,410	1,456	+3.3%
Depreciation right-of-use asset	31	33	+4.0%	64	66	+2.7%
Interest lease liabilities	5	6	+13%	10	11	+12%
Total adjusted indirect opex after leases	411	421	+2.4%	816	844	+3.5%
<b>Adjusted EBITDA AL</b>	<b>596</b>	<b>629</b>	<b>+5.6%</b>	<b>1,180</b>	<b>1,235</b>	<b>+4.6%</b>
<i>As % of adjusted revenues</i>	<i>44.8%</i>	<i>45.2%</i>		<i>44.3%</i>	<i>44.6%</i>	
Operating profit (EBIT)	337	357	+5.7%	653	694	+6.2%
Net profit	216	227	+5.1%	412	401	-2.6%
ROCE*				13.7%	14.4%	
FTE personnel (#)				10,379	10,252	-1.2%

\* ROCE is calculated on a 4-quarter average rolling basis

### Q2 2024

Adjusted revenues increased 4.5% y-on-y, or 4.2% corrected for the Youfone acquisition and divestments in LCE. The increase was driven by continued growth in Group service revenues and higher proceeds from the divestment of assets, as reflected in non-service revenues & other.

Cost of goods and services increased 5.3% y-on-y, mainly due to higher third-party access costs (primarily Glaspoot), service revenue mix effects in B2B and higher non-service revenues such as handset and hardware sales. Personnel expenses increased 4.4% y-on-y, driven by wage indexation. IT/TI expenses decreased by 2.8% y-on-y due to one-off invoices, while other opex remained broadly stable. KPN's simplification and digitalization efforts were more than offset by the inflationary headwinds resulting in 2.4% higher total adjusted indirect opex after leases y-on-y.

Adjusted EBITDA AL increased 5.6% y-on-y in Q2 2024, or 4.7% corrected for Youfone, supported by continued Group service revenue growth and higher non-service revenues, partly offset by higher costs. Adjusted EBITDA AL margin increased 46bps to 45.2%.

Operating profit (EBIT) of € 357m increased € 19m y-on-y, driven by higher EBITDA. Net profit of € 227m increased € 11m y-on-y.

### H1 2024

Adjusted revenues increased 3.9% y-on-y, or 3.8% corrected for the Youfone acquisition and divestments in LCE, driven by continued Group service revenue growth and higher non-service revenues & other.

Cost of goods and services increased 3.1% y-on-y, mainly due to higher third-party access costs (primarily Glaspoot), service revenue mix effects in B2B and higher non-service revenues such as handset and hardware sales. Personnel expenses increased 4.2% y-on-y, driven by wage indexation. IT/TI expenses increased 3.8% y-on-y due to price increases, while other opex remained broadly flat.

Operating profit (EBIT) of € 694m increased € 41m y-on-y, due to higher EBITDA. Net profit of € 401m decreased € 11m or 2.6% y-on-y, due to one-off refinancing costs in the first quarter.

ROCE was 14.4% in H1 2024, an increase of 75bps compared to H1 2023. This increase was mainly driven by operational efficiencies.

### Youfone acquisition included as from 4 April

On 4 April 2024, KPN acquired 100% of the shares in Youfone Nederland B.V. and Youfone Zakelijk B.V. (together referred to as 'Youfone'). With this acquisition, KPN materially strengthens its position in the mobile, KPN and broadband markets, especially in the faster-growing no-frills segments. Since that date, Youfone Nederland is included in KPN's Consumer segment and added 499k postpaid and 56k broadband customers. Youfone Zakelijk B.V. is included in KPN's Business segment and added 42k postpaid customers to the SME customer base.

## Financial position

Group financials (unaudited) <i>(in € m, unless stated otherwise)</i>	Q2 2023	Q2 2024	Δ y-on-y	H1 2023	H1 2024	Δ y-on-y
Operational Free Cash Flow	292	292	0.0%	578	595	+2.9%
<i>As % of adjusted revenues</i>	21.9%	21.0%		21.7%	21.5%	
Free Cash Flow	190	210	+11%	354	364	+3.0%
<i>As % of adjusted revenues</i>	14.2%	15.1%		13.3%	13.2%	
Net debt				5,739	6,039	
Gross debt				6,106	7,146	
Cash & short-term investments				367	1,107	
Leverage ratio*				2.4x	2.4x	
Interest cover ratio**				11.2x	10.5x	
<b>Credit ratings</b>				<b>Rating</b>	<b>Outlook</b>	
Standard & Poor's				BBB	Stable	
Fitch Ratings				BBB	Stable	
Moody's				Baa3	Positive	

\* Net debt (excl. leases) / LTM adjusted EBITDA AL

\*\* LTM adjusted EBITDA AL / LTM Net interest paid (excl. lease interest, incl. perpetual hybrid coupon)

### H1 2024

Operational Free Cash Flow of € 595m was 2.9% higher y-on-y. Free Cash Flow of € 364m increased € 11m, or 3.0% y-on-y, mainly driven by higher EBITDA. Free Cash Flow margin was broadly stable at 13.2%.

At the end of Q2 2024, net debt amounted to € 6,039m, € 443m higher compared to end Q1 2024. The increase in net debt was mainly driven by the Youfone acquisition, the € 382m final dividend payment over 2023 in April 2024 and the € 200m share buyback program that was completed in May 2024, partly offset by Free Cash Flow generation during the quarter. Compared to prior year, net debt increased by € 300m, mainly driven by acquisitions.

KPN had a strong balance sheet and liquidity position at the end of Q2 2024. Nominal debt outstanding was € 7,602m including € 60m short-term commercial paper. KPN's committed liquidity consisted of € 1,107m cash & short-term investments and a € 1.0bn undrawn revolving credit facility. Therefore, available liquidity covers debt maturities until 2026. In the second quarter, KPN successfully issued a € 500m perpetual green hybrid bond with a coupon of 4.875% per annum. KPN also announced a tender offer for the € 500m hybrid bond with a first reset date on 8 February 2025. KPN was offered and has accepted a principal amount of € 281m for purchase and cancellation. The remaining € 219m principal is callable at KPN's discretion between 8 November 2024 and 8 February 2025. At 30 June 2024, the net debt to EBITDA ratio was 2.4x (Q1 2024: 2.3x). KPN's interest cover ratio was 10.5x at the end of the second quarter (Q1 2024: 10.6x). At 30 June 2024, the weighted average cost of senior debt was 3.92%, 17 basis points lower y-on-y.

On 31 May 2024, KPN completed a € 200m share buyback program, repurchasing 59,987,360 ordinary shares at an average price of € 3.33 per share. As per 30 June 2024, the total shares outstanding amounted to 3,947,417,782 of which 61,138,742 are Treasury shares. KPN intends to cancel 58,487,360 of the repurchased shares to reduce its capital, the remaining 1,500,000 repurchased shares will be retained to cover employee share plans.

At the end of Q2 2024, Group equity amounted to € 3,635m, broadly stable compared to the end of Q1 2024.

## Capex

Group financials (unaudited) <i>(in € m, unless stated otherwise)</i>	Q2 2023	Q2 2024	Δ y-on-y	H1 2023	H1 2024	Δ y-on-y
Fiber rollout	113	129	+14%	220	234	+6.2%
Customer driven	47	45	-2.9%	87	88	+0.6%
Other	144	163	+13%	294	318	+8.0%
<b>Capex</b>	<b>304</b>	<b>337</b>	<b>+11%</b>	<b>602</b>	<b>640</b>	<b>+6.3%</b>
<i>As % of adjusted revenues</i>	22.8%	24.2%		22.6%	23.1%	

Capex of € 337m was € 34m higher y-on-y in Q2 2024, driven by timing of investment projects. H1 2024 Capex was € 38m higher y-on-y at 23.1% of adjusted revenues (H1 2023: 22.6%). Investments in fiber rollout increased by € 14m y-on-y due to project timing. Customer driven Capex was broadly stable. Other Capex increased 8.0% y-on-y, mainly driven by investments in mobile network.

## Personnel

# FTE by segment at the end of the period <i>(unaudited)</i>	H1 2023	H1 2024	Δ y-on-y	Δ y-on-y
Consumer	3,310	3,378	+68	+2.1%
Business	2,925	2,841	-84	-2.9%
Wholesale	223	215	-8	-3.6%
Network, Operations & IT	2,939	2,855	-84	-2.9%
Other	982	962	-20	-2.0%
<b>KPN Group</b>	<b>10,379</b>	<b>10,252</b>	<b>-128</b>	<b>-1.2%</b>

At the end of Q2 2024, KPN employed 10,252 personnel (in FTEs), which was 128 FTEs less than previous year, driven by natural attrition and the effects from the ongoing digital transformation of KPN.

## Financial and operating review per segment Q2 and H1 2024

### Consumer

Segment financials (unaudited) (in € m, unless stated otherwise)	Q2 2023	Q2 2024	Δ q-on-q	Δ y-on-y	Δ y-on-y Excl. impact M&A	H1 2023	H1 2024	Δ y-on-y	Δ y-on-y Excl. impact M&A
<b>Fixed service revenue</b>	<b>447</b>	<b>466</b>		<b>+4.2%</b>	<b>+3.1%</b>	<b>896</b>	<b>929</b>	<b>+3.6%</b>	<b>+3.1%</b>
Broadband service revenues	432	453		+4.9%	+3.8%	867	903	+4.3%	+3.7%
o/w Fiber broadband service revenues	249	283		+14%	+13%	493	558	+13%	+13%
o/w Copper broadband service revenues	183	170		-7.1%	-9.0%	374	345	-7.7%	-8.6%
Other Fixed service revenues	15	12		-20%	-17%	30	25	-16%	-14%
<b>Mobile service revenues</b>	<b>194</b>	<b>224</b>		<b>+16%</b>	<b>+7.0%</b>	<b>383</b>	<b>428</b>	<b>+12%</b>	<b>+7.4%</b>
<b>Adjusted Consumer service revenues</b>	<b>640</b>	<b>689</b>		<b>+7.7%</b>	<b>+4.3%</b>	<b>1,279</b>	<b>1,357</b>	<b>+6.1%</b>	<b>+4.4%</b>
Non-service & Other revenues	59	60		+2.5%	+2.5%	129	130	+1.0%	+0.9%
<b>Adjusted Consumer revenues</b>	<b>699</b>	<b>750</b>		<b>+7.2%</b>	<b>+4.1%</b>	<b>1,408</b>	<b>1,487</b>	<b>+5.6%</b>	<b>+4.1%</b>
<b>Households (k)</b>									
Fiber households	1,564	1,750	+62	+186					
Copper households	1,183	1,069	-8	-114					
Postpaid-only households	780	993	+208	+213					
<b>Total Consumer households</b>	<b>3,528</b>	<b>3,812</b>	<b>+263</b>	<b>+285</b>					
o/w Fixed-Mobile households	1,532	1,659	+99	+127					
<b>ARPA (€)</b>									
ARPA Fixed-Mobile households	82	87	+1.6%	+5.4%					
ARPA total Consumer households	59	61	-0.3%	+3.7%					
NPS Consumer	+18	+17	Flat	-1					

In Consumer, KPN aims to become the market leader in terms of service revenue market share. This will be supported by the extensive fiber roll out and KPN's increased focus on customer loyalty and base management. Through its Household 3.0 approach, customers will be able to access an unrivalled range of services, such as OTT packages, security and gaming, on top of the highest quality fiber and 5G connectivity.

### Q2 2024

Adjusted Consumer service revenues increased 7.7% y-on-y, or 4.3% corrected for Youfone. Fixed service revenues increased 4.2% y-on-y, or 3.1% corrected for Youfone, supported by broadband service revenue growth (+4.9% y-on-y) as fiber broadband service revenues continued to accelerate (+14% y-on-y), offsetting the decline in copper (-7.1% y-on-y) and legacy services (-20% y-on-y). Operational performance on fiber remained strong, as KPN activated 62k fiber households in the quarter (Q1 2024: +46k). Broadband net adds were 59k<sup>4</sup> in Q2 2024, or 3k organically. Fixed ARPU grew slightly with 2.3% y-on-y to € 53. In June, KPN announced a price adjustment of 3.8% on its broadband portfolio, taking effect as from 1 July 2024.

Consumer mobile service revenues increased 16% y-on-y, or 7.0% corrected for Youfone, partly driven by the ongoing commercial success of KPN's new speed tiering proposition. KPN's postpaid base grew by 540k net adds, or 41k organically. Postpaid ARPU was € 17 and grew by 1.9% y-on-y.

Consumer NPS at +17 remains leading in the Dutch market.

<sup>4</sup> Corrected for migrations to, and new customers of, small business propositions (5k in Q2 2024, 6k in Q1 2024, 6k in Q4 2023, 6k in Q3 2023 and 4k in Q2 2023)

## Business

Segment financials (unaudited) (in € m, unless stated otherwise)	Q2 2023	Q2 2024	Δ q-on-q	Δ y-on-y	Δ y-on-y Excl. impact M&A	H1 2023	H1 2024	Δ y-on-y	Δ y-on-y Excl. impact M&A
SME service revenues	159	176		+10%	+9.1%	314	346	+10%	+9.5%
LCE service revenues	194	189		-2.1%	+0.4%	387	379	-2.1%	+0.4%
Tailored Solutions service revenues	74	77		+4.6%		146	151	+3.8%	
<b>Adjusted Business service revenues</b>	<b>426</b>	<b>442</b>		<b>+3.7%</b>	<b>+4.4%</b>	<b>847</b>	<b>876</b>	<b>+3.5%</b>	<b>+4.4%</b>
Non-service & Other revenues	19	18		-5.5%		51	43	-16%	
<b>Adjusted Business revenues</b>	<b>445</b>	<b>461</b>		<b>+3.4%</b>	<b>+4.0%</b>	<b>897</b>	<b>919</b>	<b>+2.4%</b>	<b>+3.3%</b>
<b>KPIs (k)</b>									
Broadband lines	375	389	Flat	+14					
Mobile SIMs	2,135	2,246	+62	+112					
NPS Business	+5	+4	-1	-1					

In Business, KPN is the clear market leader and will further develop its digital ecosystem. The converged portfolios in SME and LCE will be leveraged to increase share of wallet and drive further growth. Tailored Solutions is positioned as a strategic IT and integration partner, delivering value adding ICT solutions on top of the connectivity portfolio to the largest customers.

### Q2 2024

Adjusted Business service revenues grew 3.7% y-on-y, or 4.4% corrected for the Youfone acquisition and divestments in LCE. Growth was driven by ongoing strong growth in SME and project timing in Tailored Solutions. The number of broadband lines remained the same this quarter, while the Mobile SIMs base increased by 62k, of which 42k related to the Youfone acquisition.

SME service revenues grew 10% y-on-y, or 9.1% corrected for Youfone (Q1 2024: +9.9%), supported by continued solid commercial momentum in Broadband, Mobile and Cloud & Workspace.

LCE service revenues declined 2.1% y-on-y, due to the divestments of CAM IT on 29 December 2023 and KPN Internetservices on 1 February 2024. Corrected for these divestments (~€ 20m annualized service revenues), the LCE service revenue trend was stable sequentially (+0.4% y-on-y), as continued growth in IoT was offset by lower revenues from mobile and IT services. During the second quarter, KPN introduced KPN Campus, a service that provides secure and reliable 5G solution for mission and business-critical applications at organizations, including public, hybrid and private 5G networks.

Tailored Solutions service revenues grew 4.6% y-on-y, driven by timing in projects.

Business NPS at +4 remains leading in the Dutch market.

## Wholesale

Segment financials (unaudited) (in € m, unless stated otherwise)	Q2 2023	Q2 2024	Δ q-on-q	Δ y-on-y	Δ y-on-y Excl. impact M&A	H1 2023	H1 2024	Δ y-on-y	Δ y-on-y Excl. impact M&A
Broadband	81	78		-3.5%	+1.3%	159	161	+1.2%	+3.2%
Mobile	44	34		-23%	-1.9%	84	75	-11%	-2.3%
Other	51	46		-9.3%	-9.3%	98	89	-9.3%	-9.3%
<b>Adjusted Wholesale service revenues</b>	<b>176</b>	<b>158</b>		<b>-10%</b>	<b>-2.7%</b>	<b>342</b>	<b>326</b>	<b>-4.7%</b>	<b>-1.8%</b>
Non-service & Other revenues	1	0		-46%	-46%	1	2	+46%	+46%
<b>Adjusted Wholesale revenues</b>	<b>177</b>	<b>159</b>		<b>-10%</b>	<b>-2.9%</b>	<b>343</b>	<b>327</b>	<b>-4.6%</b>	<b>-1.6%</b>
<b># Customers (k)</b>									
Broadband lines	1,137	1,104	-62	-33					
Postpaid SIMs	784	296	-537	-488					

In Wholesale, KPN continues its open access policy to offer access to third-party operators. KPN aims to remain the preferred connectivity partner for broadband and mobile services.

## Q2 2024

Adjusted Wholesale service revenues decreased 10% y-on-y, or 2.7% corrected for Youfone. The decrease in underlying service revenues was mainly due to lower Mobile and Other service revenues.

Broadband service revenues decreased 3.5% y-on-y, or increased 1.3% corrected for Youfone. During the quarter, KPN's broadband Wholesale base declined 6k on a like-for-like basis, mainly due to increased competition in the wider broadband market.

Mobile service revenues decreased 23% y-on-y, or 1.9% corrected for Youfone. Wholesale added 8k postpaid SIMs on a like-for-like basis during the quarter.

Other service revenues declined 9.3% y-on-y mainly due to lower regulated tariffs and less traffic leading to a decrease in low-margin interconnect revenues.

## Network, Operations & IT

Segment KPIs (in thousands)	H1 2023	H1 2024	Δ q-on-q	Δ y-on-y
FttH households KPN	3,920	4,524	+134	+603
FttH households Glaspoort JV	388	525	+35	+137
FttH households 3 <sup>rd</sup> party other	149	186	+9	+37
<b>FttH households total</b>	<b>4,457</b>	<b>5,235</b>	<b>+178</b>	<b>+778</b>

KPN will continue to build the best secure networks and digital infrastructure of the Netherlands. In fixed, KPN will continue its large-scale fiber roll out and continue the decommissioning of the copper network in fiber areas. In mobile, KPN has been recognized as the best network in the world and it intends to keep a leading position. KPN continues to invest in its mobile core and leverage the innovation capabilities that 5G brings. Furthermore, KPN will further digitize its customer facing processes to offer the best digital customer experience.

## Q2 2024

In Q2 2024, KPN added 134k households to its own fiber footprint. Together with Glaspoort, KPN added 168k households to its fiber footprint, now jointly covering 60% of Dutch households.

KPN made further progress with its asset monetization strategy as outlined at the Capital Markets Day. KPN recognized the proceeds from the divestment of IPv4 addresses, new recurring business, reflected in revenues from Network, Operations & IT.

In May, KPN's joint-venture Glaspoort announced the intention to purchase part of the fiber network of Delta Fiber. The transaction involves around 200k homes passed in sparsely populated areas spread over several region in the Netherlands. The proposed acquisition is subject to approval by the ACM.

In May, KPN announced that it will purchase electricity from Eneco's newly built solar farm. This solar farm will supply green energy for KPN's fixed and mobile networks and is expected to be fully operational at the beginning of 2025. KPN has entered into a 15-year agreement with Eneco for this purpose and will purchase more than 47GWh (gigawatt hours) of electricity annually. In 2022, KPN already signed an agreement with Eneco for the purchase of wind energy from 2027. This means that approximately two-thirds of the electricity that KPN will consume from 2027 will come from sustainable sources, which is aligned with KPN's ambitious sustainability targets.

In June, KPN announced a strategic partnership with ABP to create a new tower company. Through the transaction KPN gains higher flexibility over a substantial part of its mobile sites, enabling strategic synergies regarding the deployment, maintenance, and optimization of the network infrastructure. This flexibility allows KPN to ensure that its mobile network continues to meet the performance standards required to deliver high-quality services, to subscribers, to accommodate new technologies, such as 5G, and to expand coverage into underserved areas.

In July, KPN obtained an attractive spectrum package of 100MHz of 3.5GHz frequency licenses in the Dutch spectrum auction for a total consideration of € 58.4 million. The licenses have a duration up to and including 2040 and enable KPN to take the next step in 5G and further strengthen its leading network.



## Analysis of adjusted results Q2 and H1 2024

The following table shows the reconciliation between reported revenues and adjusted revenues:

Revenues (in € m)	Q2 2023	Q2 2024	Δ y-on-y	H1 2023	H1 2024	Δ y-on-y
Consumer	699	750	+7.2%	1,408	1,487	+5.6%
Business	445	461	+3.4%	897	919	+2.4%
Wholesale	177	159	-10%	343	327	-4.6%
Network, Operations & IT	9	22	>100%	25	34	+41%
Other (incl. eliminations)	4	0	-95%	5	1	-84%
<b>Total revenues</b>	<b>1,334</b>	<b>1,391</b>	<b>+4.3%</b>	<b>2,678</b>	<b>2,768</b>	<b>+3.4%</b>
<b>Revenue incidentals</b>						
Consumer	-	-	n.m.	-	-	n.m.
Business	-	-	n.m.	-	-	n.m.
Wholesale	-	-	n.m.	-	-	n.m.
Network, Operations & IT	3	-	-100%	13	-	-100%
Other (incl. eliminations)	-	-	n.m.	-	-	n.m.
<b>Total revenue incidentals</b>	<b>3</b>	<b>-</b>	<b>-100%</b>	<b>13</b>	<b>-</b>	<b>-100%</b>
Consumer	699	750	+7.2%	1,408	1,487	+5.6%
Business	445	461	+3.4%	897	919	+2.4%
Wholesale	177	159	-10%	343	327	-4.6%
Network, Operations & IT	6	22	>100%	11	34	>100%
Other (incl. eliminations)	4	0	-95%	5	1	-84%
<b>Total adjusted revenues</b>	<b>1,331</b>	<b>1,391</b>	<b>+4.5%</b>	<b>2,664</b>	<b>2,768</b>	<b>+3.9%</b>

The following table specifies the revenue incidental in more detail:

Revenue incidental (in € m)	Segment	Q2 2023	Q2 2024	H1 2023	H1 2024
Book gain on sale of assets to JV (Glaspoort)	NOI	3	-	13	-
<b>Total revenue incidental</b>		<b>3</b>	<b>-</b>	<b>13</b>	<b>-</b>

The following table shows the reconciliation between reported EBITDA and adjusted EBITDA AL:

(in € m)	Q2 2023	Q2 2024	Δ y-on-y	H1 2023	H1 2024	Δ y-on-y
<b>EBITDA</b>	<b>633</b>	<b>664</b>	<b>+4.9%</b>	<b>1,260</b>	<b>1,302</b>	<b>+3.4%</b>
Incidentals	-6	-	-100%	-17	-	-100%
Restructuring	6	4	-34%	11	10	-13%
<b>Lease-related expenses</b>						
Depreciation right-of-use asset	-31	-33	+4.0%	-64	-66	+2.7%
Interest lease liabilities	-5	-6	+13%	-10	-11	+12%
<b>Adjusted EBITDA AL</b>	<b>596</b>	<b>629</b>	<b>+5.6%</b>	<b>1,180</b>	<b>1,235</b>	<b>+4.6%</b>

The following table specifies the EBITDA incidentals in more detail:

EBITDA incidentals (in € m)	Category	Q2 2023	Q2 2024	H1 2023	H1 2024
Book gain on sale of assets to JV (Glaspoort)	Revenues	3	-	13	-
Release of provisions	Other opex	3	-	3	-
<b>Total EBITDA incidentals</b>		<b>6</b>	<b>-</b>	<b>17</b>	<b>-</b>

All related documents can be found on KPN's website: [ir.kpn.com](https://ir.kpn.com)

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## 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](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 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.*