

BUSINESS

Maximo Ibarra

CEO and a.i. Chief Business Market

The Hague

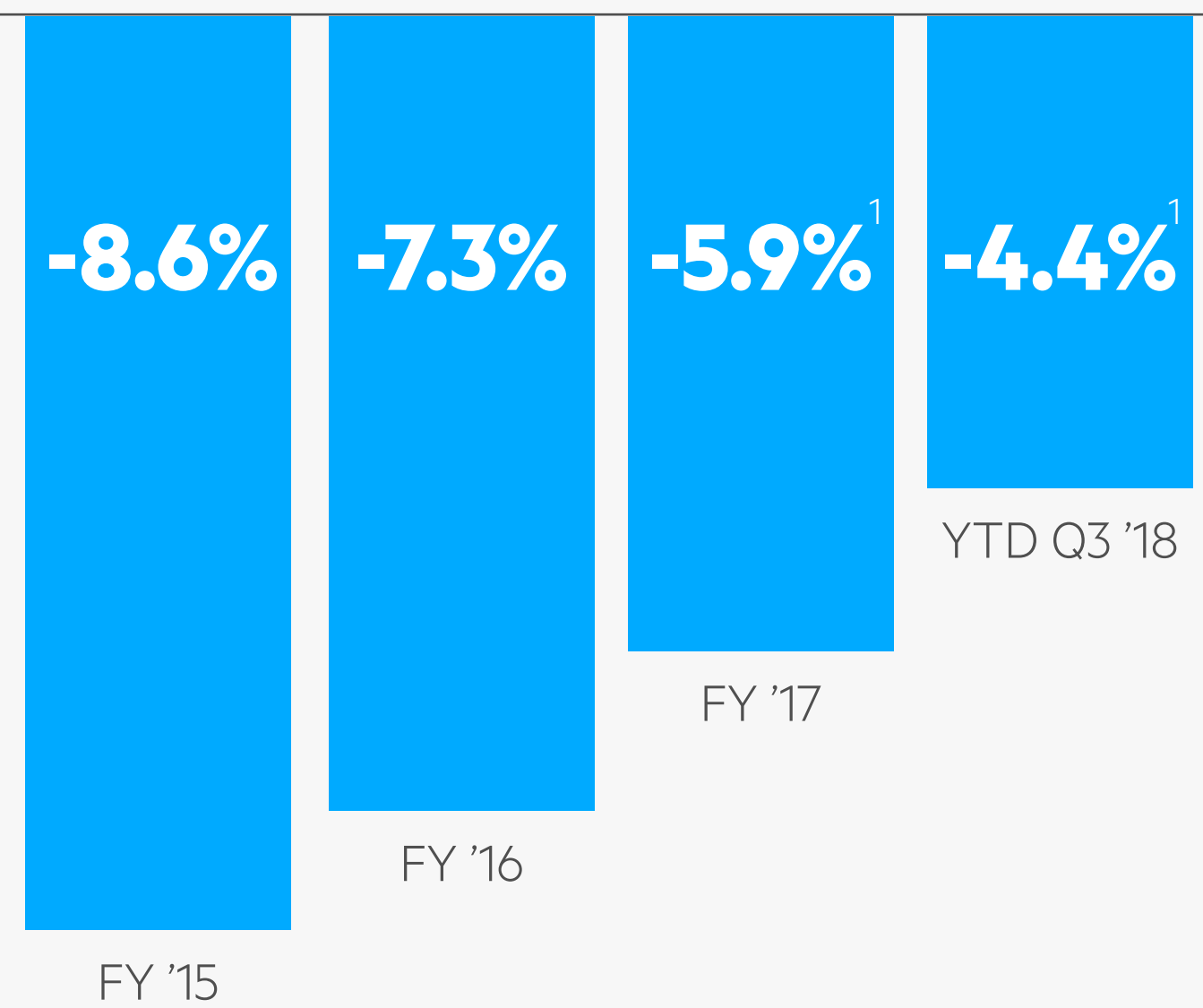


CAPITAL
MARKETS
DAY 2018

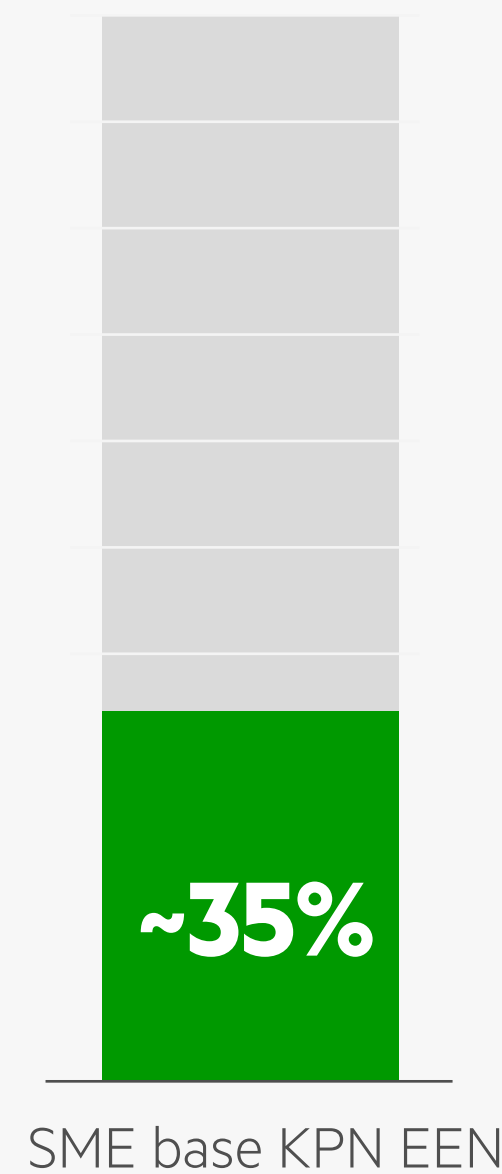
**SUSTAINABLE
EBITDA
GROWTH**

Progress made, but still work to do

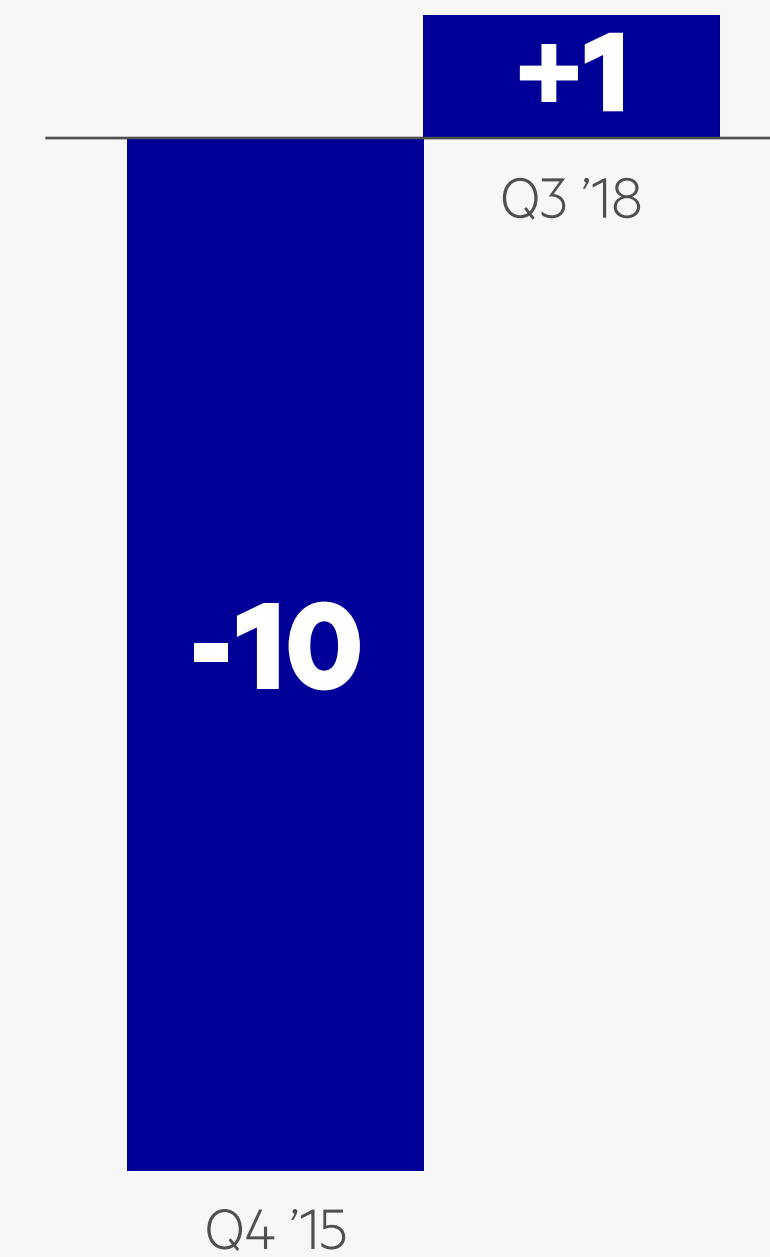
Declining organic revenues



Growing converged portfolio



Improving customer satisfaction (NPS)²



1 Revenues excluding M&A and hardware

2 Source: Kantar TNS

STRATEGIC FOCUS 2019 2021

Converged simplified
product portfolio.

Transformation of
operating platform.

Lean and digital
operations.

Converged simplified product portfolio

Improved delivery chain & NPS

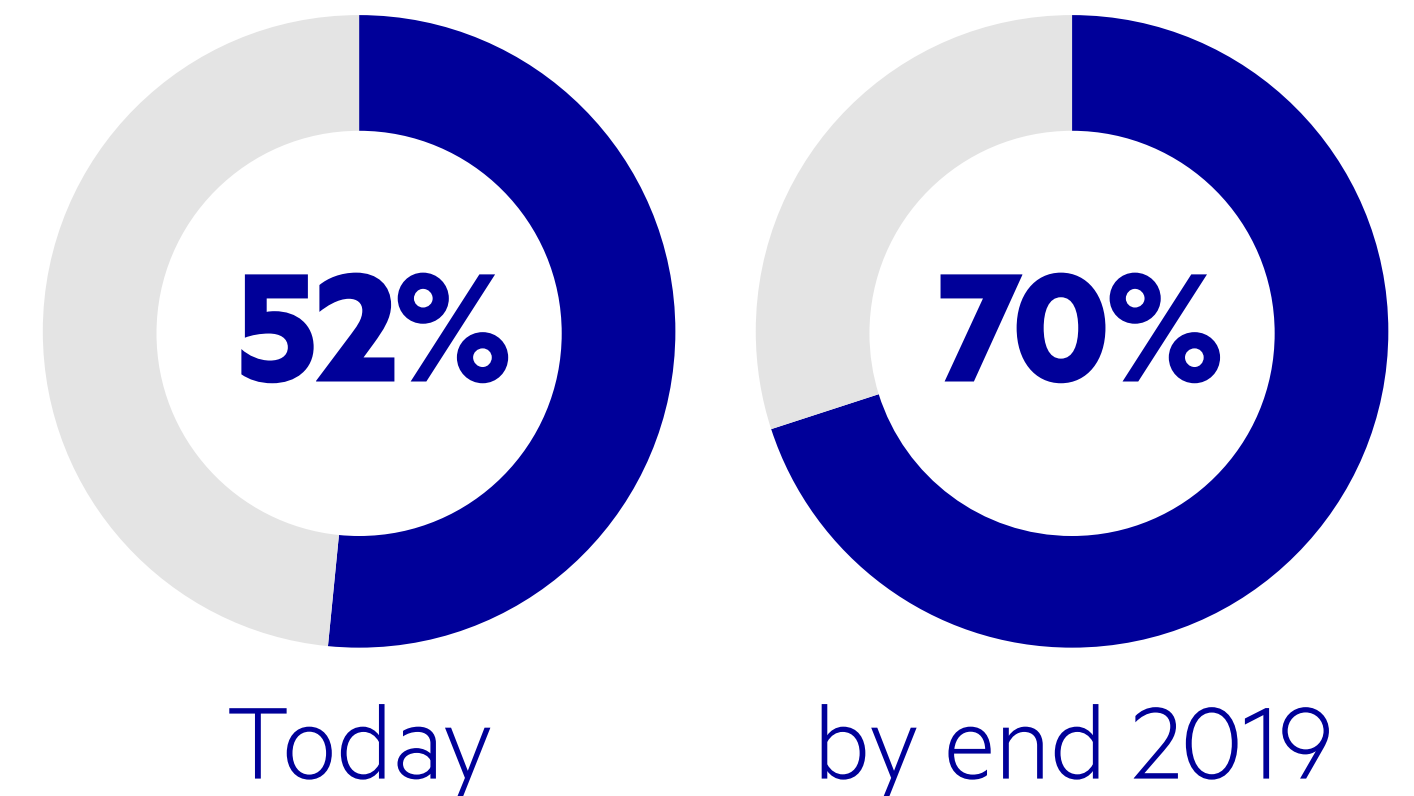
-50%
products
by end 2021

Core IT services & pricing discipline



Prioritize deal profitability & incentives on value

Fiber upgrade business parks



>100Mbps coverage

Fiber upgrade business parks

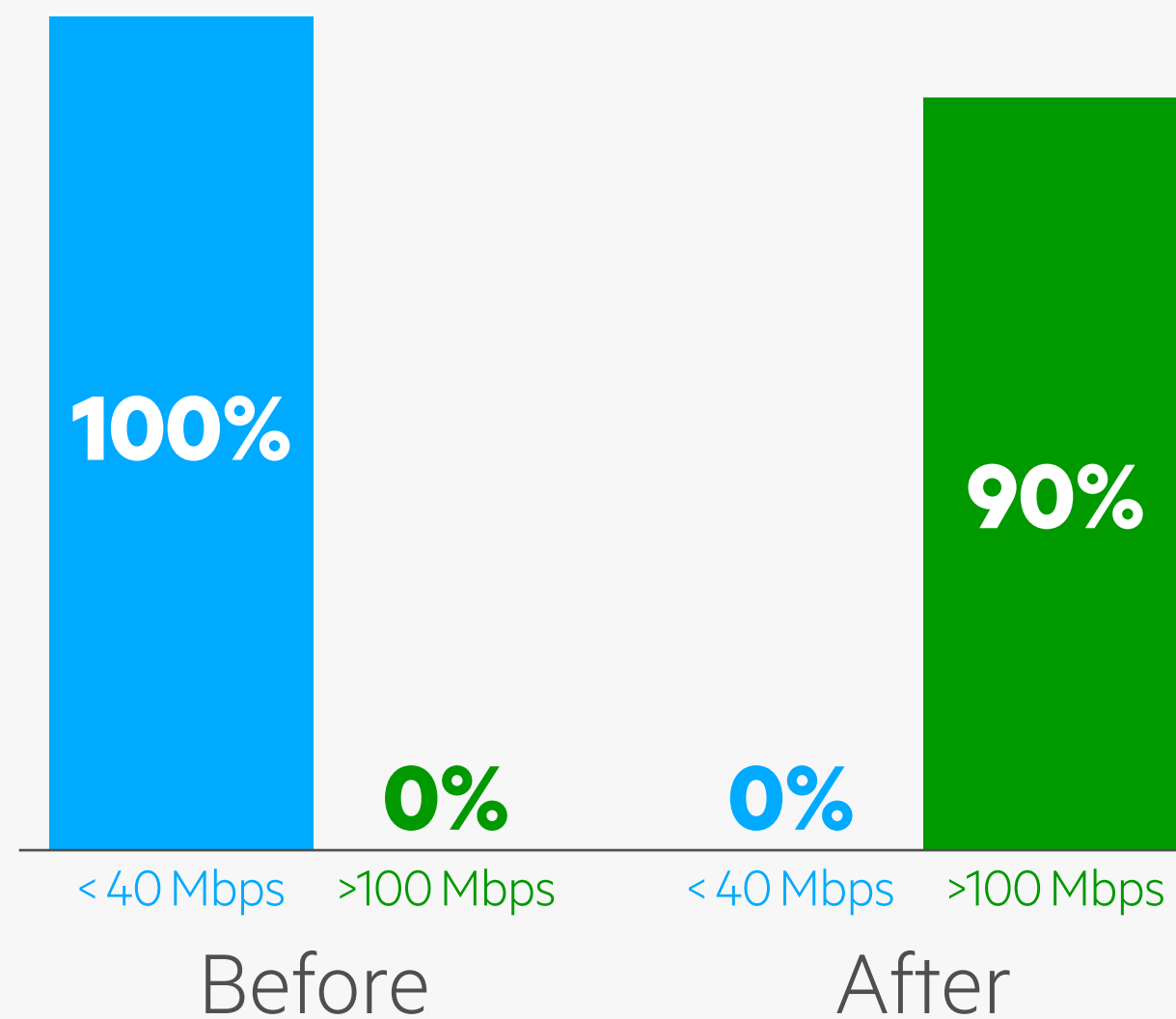
to drive uptake of converged services

Example

Euregio business park
Enschede

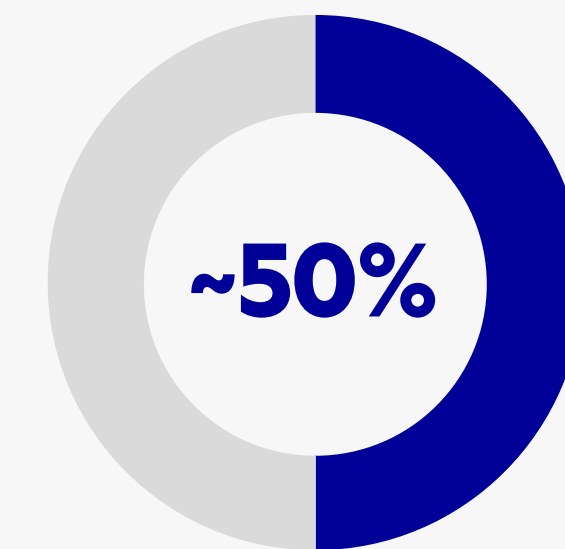


Increased bandwidth
following upgrade...



...driving commercial
success within
3 months of upgrade

29%
of all customers moved to
converged portfolio



Migrations   New customers

Transformation of operating platform

KPN EEN

Migrations to
KPN EEN¹

100%

SME mid 2020

LE in 2020

Clear operational
benefits post migration

+10
NPS²

2x
faster
Time-to-market

~5%
Churn

Example

Improved customer
lifetime value

Repricing at migration

Reduced cost to serve

Up and cross-sell services

Reduced churn

1 Traditional fixed voice and legacy broadband

2 Management estimate

Lean and digital operations

Cost to serve
KPN EEN

>25%

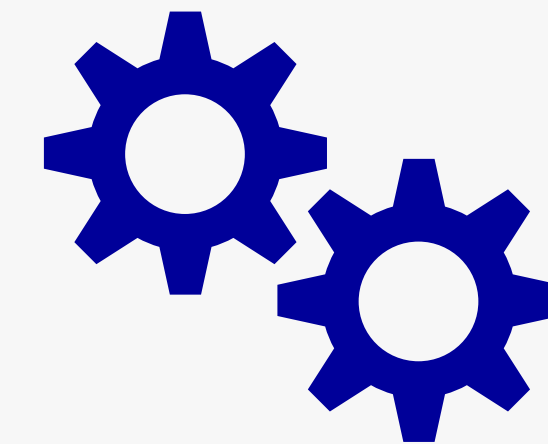
lower by 2021

KPN EEN significantly
lowers complexity

-75%

of IT systems
by 2021

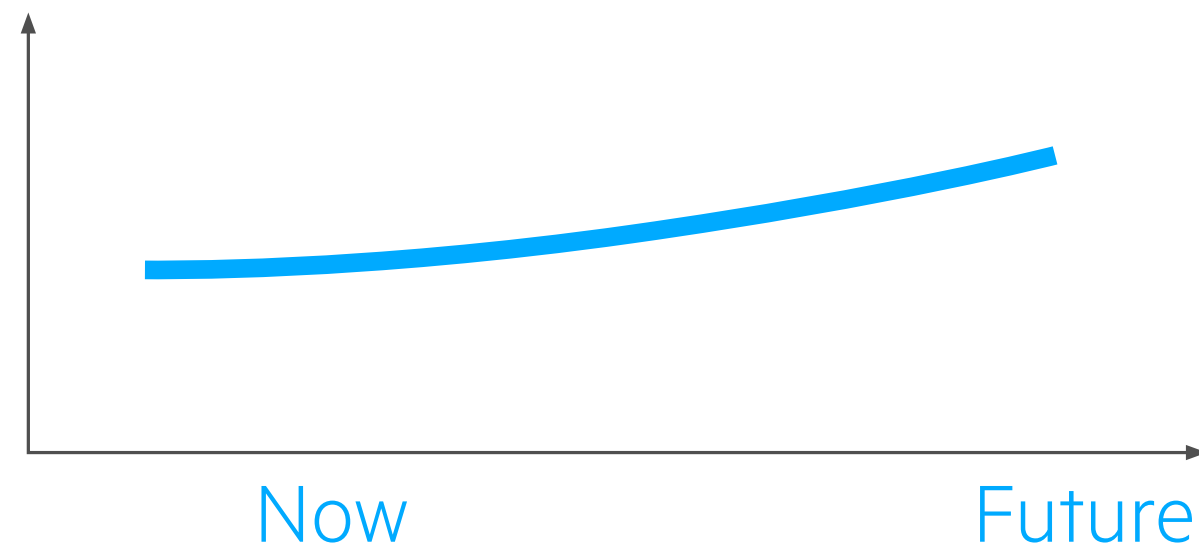
Simplified end-to-end
organization



New management
structure & accelerate
integration of recent
acquisitions

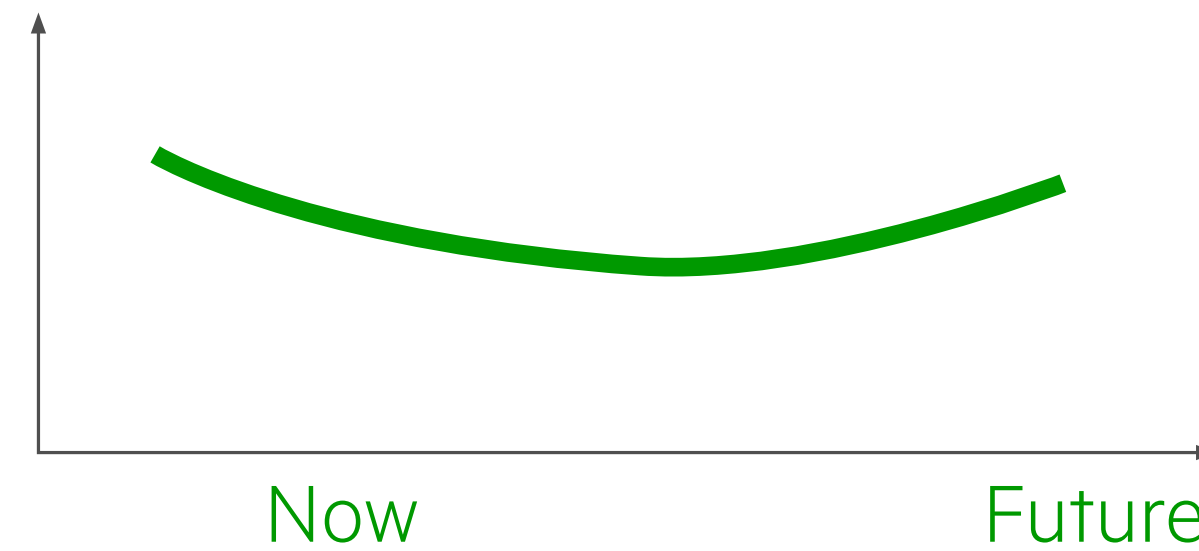
Stabilizing service revenues

SoHo ~350k customers



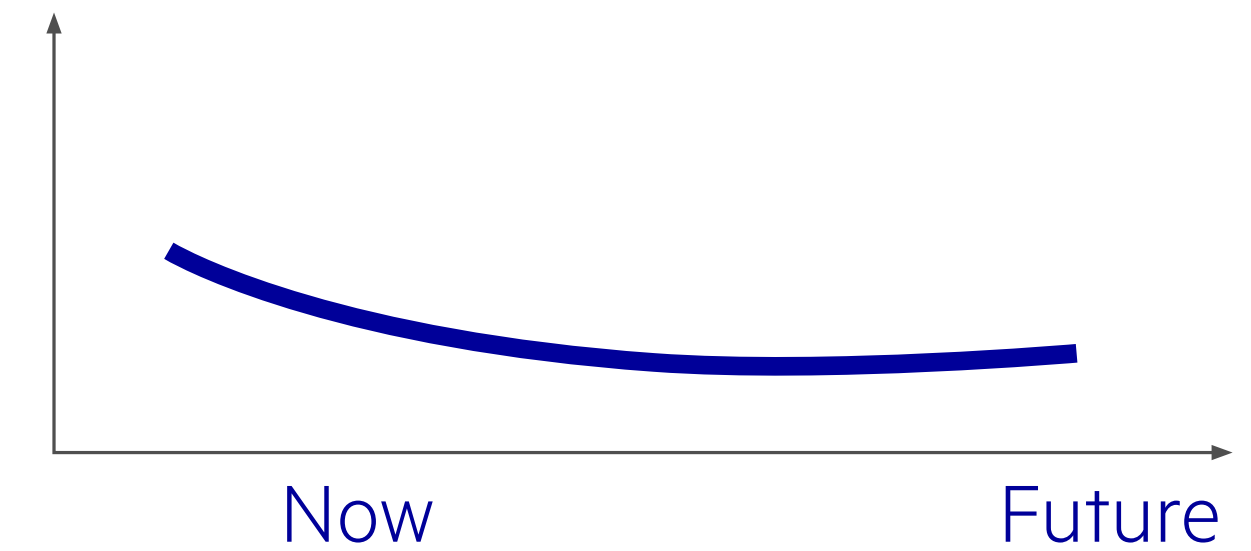
Grow revenues

SME ~225k customers



Stabilize and grow revenues

LE & Corporate ~2k customers



Slighty decrease revenues, stabilize margins

Market leader: **>40%** market share

Converged portfolio

Value over volume

Strategic priorities to deliver organic sustainable growth

Stabilized
end-to-end
Adj. EBITDA
mid 2020

Grow profitable
revenues by
leveraging
leading market
positions

Stabilizing
service revenues