

# KPN further accelerates fiber rollout through JV with APG

23 Mar 2021 07:30 CET/CEST

## KPN further accelerates fiber rollout through JV with APG

Strengthening KPN's strategy as leading fiber operator in the Netherlands  
~80% FttH coverage by 2026 with JV taking up KPN's long tail, on top of existing fiber rollout plans  
Further accelerating fiber rollout through JV to ~685k households in medium-dense areas and to ~225k businesses  
€ 440m cash payment over time by APG for 50% ownership, crystallizing the value of KPN's state-of-the-art fiber network

Rotterdam, 23 March 2021 - Today, Royal KPN N.V. (KPN) announces it has signed an agreement with APG to participate in a joint venture to further accelerate the rollout of fiber and lead the digitalization of the Netherlands. Through the joint venture, KPN strengthens its 'Accelerate to grow' strategy and reaches maximum rollout speed.

KPN will continue to pursue its existing fiber rollout plans of ~2.5m additional fiber households in the coming five years. On top of this, the new JV will take up the long tail of KPN's fiber rollout plans and will cumulatively roll out ~910k additional fiber connections in underserved areas in the coming years. This consists of ~685k households in medium-dense areas and ~225k businesses. As a result, the FttH network owned by KPN and the JV will jointly cover approximately 80% of Dutch households by 2026, with scope to finalize the rollout in the years thereafter. In addition, the JV extensively expands its fiber footprint in business areas.

APG has agreed to pay ~€440m (pre-tax) for a 50% stake in the joint venture, subject to closing adjustments and split in an initial payment of ~€ 220m and another ~€ 220m to be paid in annual installments based on the rollout progress. The total equity value of € 880m for the JV implies an equity value of ~€ 970 per line. Over the rollout period, Capex of the JV will total approximately € 1.2bn, financed with ~70% debt on a non-recourse basis. The initial payment more than covers KPN's share of expected equity contributions in the JV. Almost all construction capacity as well as Capex financing commitments for the fiber rollout have been secured. The transaction is subject to regulatory approval, with the JV expected to start operations in Q2 2021. The JV will initially be deconsolidated, with KPN having a conditional call option on 1 share. As a result, KPN has the potential to obtain control and reconsolidate in the future.

Joost Farwerck, CEO of KPN: *"This strategic partnership with APG marks a next step in the acceleration of our fiber rollout in the Netherlands and shows we can act quickly on opportunities in the Dutch market. It is an attractive transaction, creating additional value for all stakeholders. Through this JV we further accelerate the fiber rollout and bring forward the long tail in smaller villages and business parks. It ensures almost nationwide fiber coverage by 2026. Together with 5G, our state-of-the-art fiber network creates the most modern and powerful network, supporting the Netherlands well into the 21<sup>st</sup> century."*

This strategic partnership further strengthens KPN's strategy as the leading fiber company in the Netherlands. Furthermore, it supports KPN's strategy by growing service revenues and strengthening the customer footprint in less densely populated areas. It also enables accelerated savings related to phasing out of services on the copper network.

The joint venture will pursue an open wholesale policy, based on voluntary offers and long-term contracts. KPN will be an anchor tenant on the network that is being built, operated, and maintained by the joint venture, but the network will be open for any third-party operator, fostering competition and innovation in the Netherlands.

In APG, one of the largest pension investors globally, KPN has found a long-term, reliable, and mutually reinforcing partner with a Dutch heritage. A strong partner in its aim to provide fiber to families and businesses in the Netherlands.

This transaction illustrates KPN's ability to access long-term pension fund capital at attractive terms to help further accelerate and increase the rollout of a part of our state-of-the-art fiber network whilst crystalizing significant value for KPN upfront.

Conference call at 10h00 CET

KPN will host a conference call at 10h00 CET. A supporting presentation has been published on the KPN website: [ir.kpn.com](https://ir.kpn.com). You can register for the call via this link.

#### Company profile APG

APG Group is one of the world's largest independent pension fund managers with pension assets of c.€ 575bn (as of Q4 2020), representing over 30,000 employers and 4.7m participants in the Netherlands, with offices in Amsterdam, Heerlen, Brussels, New York, Hong Kong, Shanghai and Beijing.

On behalf of its clients (all of which are Dutch pension funds), APG has been an active infrastructure investor since 2004, investing c.€ 16.5bn to date and managing >35 direct stakes in portfolio companies. APG's investments include assets within energy and utilities, telecommunications and transport infrastructure.

#### **For more information:**

KPN Royal Dutch Telecom  
Investor Relations  
Wilhelminakade 123  
3072 AP Rotterdam  
E-mail: [ir@kpn.com](mailto:ir@kpn.com)

---

End of Announcement - EQS News Service