

Orange financial results

#Q1_2019



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Disclaimer

This presentation contains forward-looking statements about Orange. Although we believe these statements are based on reasonable assumptions, they are subject to numerous risks and uncertainties, including matters not yet known to us or not currently considered material by us, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ from the results anticipated in the forward-looking statements include, among others: disclosure or inappropriate modification of the personal data of Orange's customers, risks relating to the development of its banking activities and of mobile financial services, Orange's exposure to geopolitical, macroeconomic, regulatory and corruption risks, the risk of not being able to maintain control over customer relations when facing competition with the OTT players, the success of Orange's strategy of diversification to find new sources of growth, network or software failures as a result of cyber-attacks, various frauds that may target the Company or its customers, its dependence on a limited number of critical suppliers, damage caused to its installations and infrastructures due to natural disasters or intentional damage, risks relating to its brand strategy, its ability to retain the necessary skills due to numerous employee retirements and changes in its businesses, possible adverse health effects from exposure to electromagnetic fields from telecommunications equipment, various human factors related to psycho-social risks and to personal safety, fiscal and regulatory constraints and changes, the results of litigation regarding in particular regulations and competition, the terms of access to capital markets, interest rate or exchange rate fluctuations, Orange's credit ratings, changes in assumptions underlying the carrying value of certain assets and resulting in their impairment, and credit risks and/or counterparty risks on financial transactions. More detailed information on the potential risks that could affect our financial results is included in the Registration Document filed on March 21, 2019 with the French Autorité des Marchés Financiers (AMF) and in the annual report on Form 20-F filed on April 16, 2019 with the U.S. Securities and Exchange Commission. Forward-looking statements speak only as of the date they are made. Other than as required by law, Orange does not undertake any obligation to update them in light of new information or future developments

Section one

Q1 2019 highlights

Q1 2019 Group achievements

yoy : comparison with the same period of the previous year, on a comparable basis unless otherwise specified

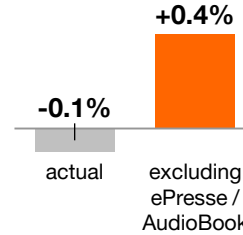
All Group level mentions include both telecom and banking activities. Conversely, all mentions excluding Orange bank are explicitly called "Telecom"



Revenue

€ **10.2** bn

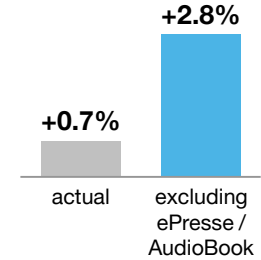
Q1 19 yoy growth



EBITDAaL*

€ **2.6** bn

Q1 19 yoy growth



Telecom EBITDAaL
excl. ePresse / Audio Book

+3.3% yoy

eCAPEX

€ **1.6** bn

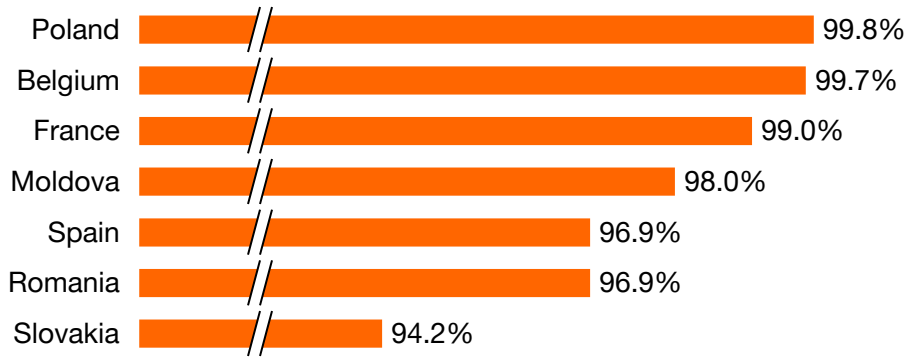
Investment efforts maintained to preserve competitive edge in connectivity

Group	Telecom
Q1 2019 eCAPEX	+8.7% +€130m yoy
€1.6bn	As % of rev. 15.9% +1.3pt yoy
+ 8.4% yoy + €127m yoy	



4G coverage

Population covered in %



VHBB connectable homes*



* VHBB > 100 Mbps

Solid commercial momentum driven by Convergence, VHBB and 4G

VHBB > 100 Mbps
Details on convergence on slide 18



Convergence

10.5m*
customers

+5%
yoy



Leader
in Europe

€1.7bn*
revenue

+5%
yoy

VHBB

6.7m
customers

+31%
yoy

4G

59m**
customers

+23%
yoy



Launch of **Connected Home**
and **Protected Home**



287k customers
in France

Launch **premium card**

*Group. In France, Open only **Including 4G customer base revision in Spain

Section two

Business review

Q1 2019 France

Growth in convergent and wholesale services. Total revenues impacted by ePresse/Audio books headwind and by equipment sales

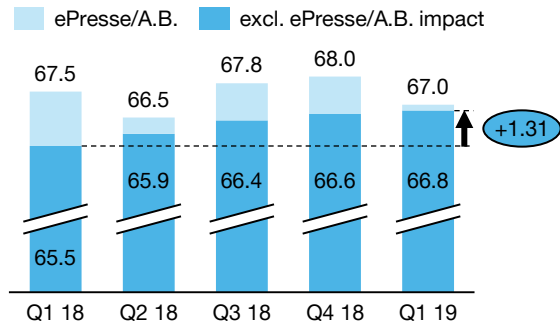
in €m	Q1 19	Q1 18 cb	yoy cb
Revenues	4,407	4,489	-1.8%
Retail services (B2C+B2B)	2,692	2,763	-2.6%
Convergent services*	1,072	1,046	+2.5%
Mobile only services	586	618	-5.2%
Fixed only services	1,034	1,099	-5.9%
Fixed only broadband services	667	678	-1.6%
Fixed only narrowband services	367	421	-12.9%
Wholesale	1,300	1,288	+0.9%
Equipment sales	297	317	-6.4%
Other revenues	117	121	-2.8%

*B2C only

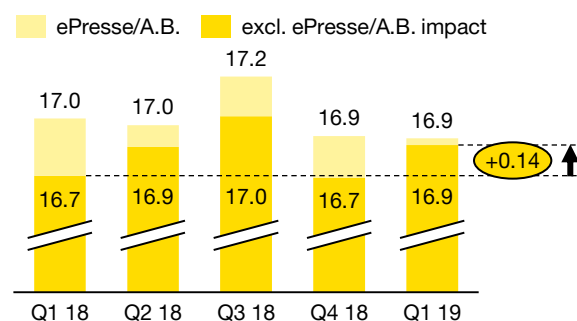
Q1'19 yoy growth excl. ePresse/Audio book :

Total revenues	▶ -0.7%
Retail services excl. PSTN	▶ +1.6%
Convergent services	▶ +5.6%

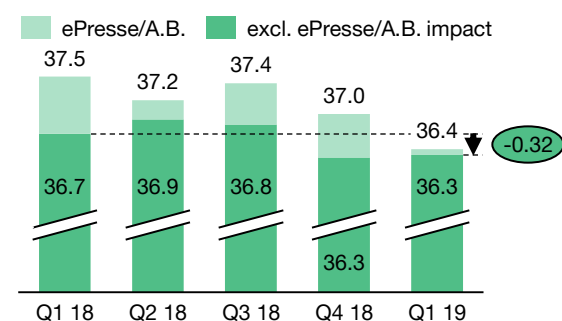
Convergent quarterly B2C ARPO** (in €)



Mobile only quarterly ARPO (in €)




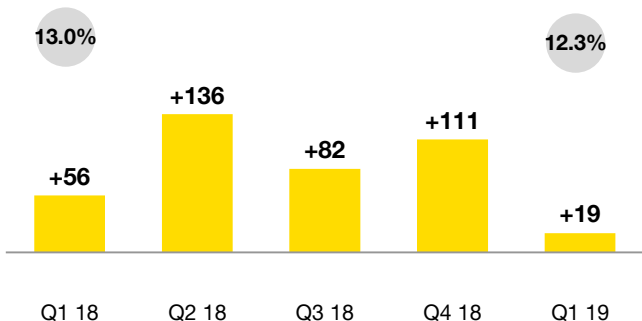
Broadband only quarterly ARPO (in €)



Q1 2019 France commercial performance

Strong net adds in broadband and resilience in mobile despite a very competitive environment

 Mobile contract net adds (in '000s) and churn rate
■ net adds excl M2M ● quarterly churn rate in %




4G 99% of 4G population coverage (+2.0pts yoy) #1 position

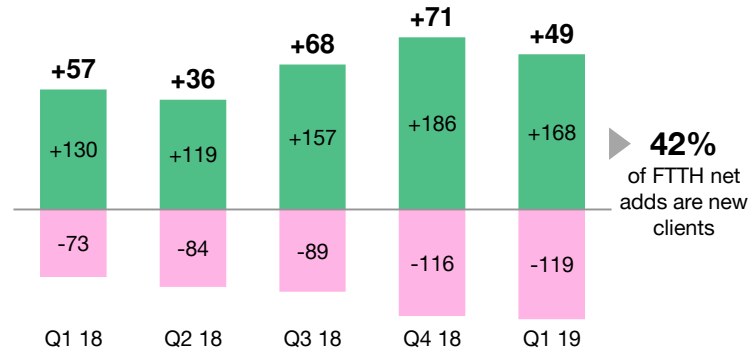
81% of B2C voice contract customers have a 4G plan (+6pts yoy)

+2.3% Number of mobile lines per convergent offer (Q1 yoy growth)

59.4%
of broadband B2C Customers are on convergent offers (Open + Sosh) (-0.3pt yoy)

55%
of broadband B2C Customers are on Open convergent offers (+0.5pt yoy)

 Fixed BB net adds (in '000s)
■ FTTH ■ ADSL and others



12.4m of FTTH connectable homes (+29% yoy)

2.8m of FTTH customers (+30% yoy)

+4.1pts Growth of B2C broadband convergent customer premium** mix, yoy

**Livebox Up, former Play and Jet

Q1 2019 Spain

Topline and convergent ARPO grew supported by a value strategy in a very competitive market

<i>in €m</i>	Q1 19	Q1 18 cb	yoy cb
Revenues	1,318	1,312	+0.4%
Retail services	953	947	+0.7%
Convergent services*	530	524	+1.2%
Mobile only services	296	301	-1.4%
Fixed only services	125	122	+2.5%
Wholesale	210	178	+17.7%
Equipment sales	155	187	-17.1%

*B2C only

84% Convergence as % of broadband B2C customer base



73% Fiber penetration in BB customer base



66% 4G penetration in mobile customer base

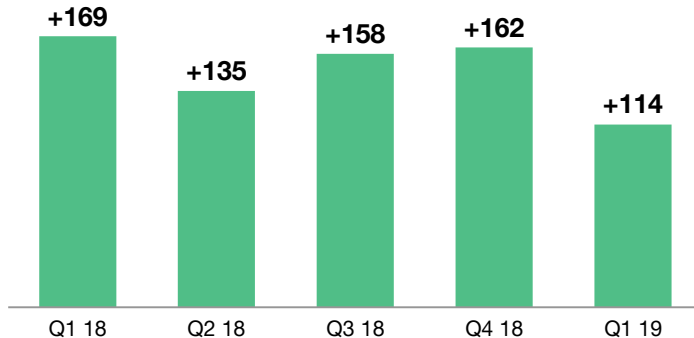


17% TV penetration in BB customer base



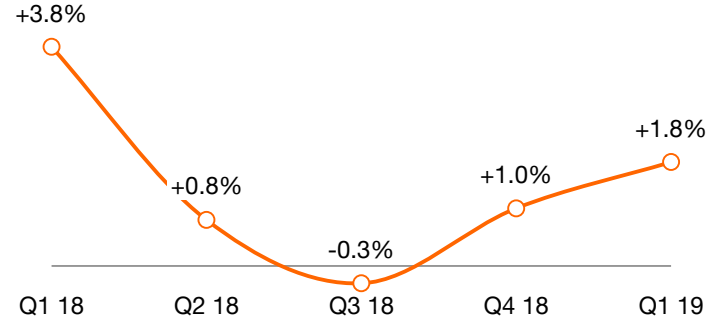
FTTH net adds

in '000s



Convergent ARPO

yoy growth



Orange and Vodafone to strengthen their network sharing partnership in Spain including 5G sharing



National mobile active network sharing over 14.800 mobile sites

Multi-technologies
2G, 3G, 4G, **5G**

It excludes
23 main cities



Enhanced network coverage and capacity

Faster and more efficient
5G roll-out

Overall technologies network management improvement



Investment :
~300€m over 4 years
< 100€m in 2019

Gross saving :
~ 800€m over 10 years
OPEX and CAPEX

IRR > 3x WACC

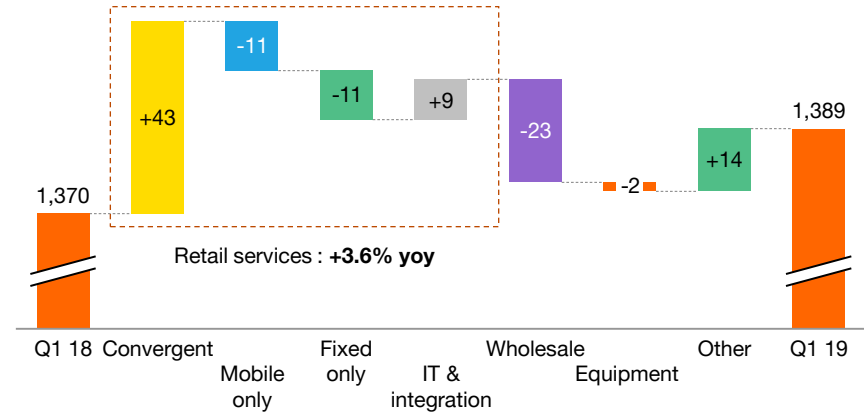
Q1 2019 Europe

Convergence keeps driving ongoing momentum in retail services

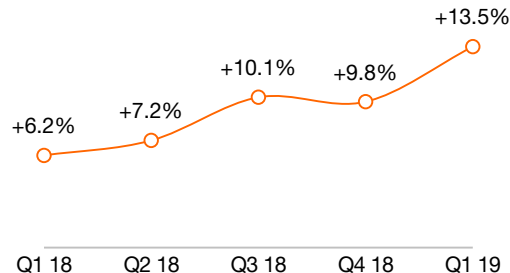
in €m	Q1 19	Q1 18 bc	yoy cb
Revenues	1,389	1,370	+1.4%
Retail services	876	845	+3.6%
Convergent services*	142	100	+42.8%
Mobile only services	529	540	-2.0%
Fixed only services	165	175	-6.0%
IT & integration services	39	30	+31.3%
Wholesale	260	283	-8.1%
Equipment sales	203	206	-1.2%
Other revenues	51	37	+36.5%

*B2C only

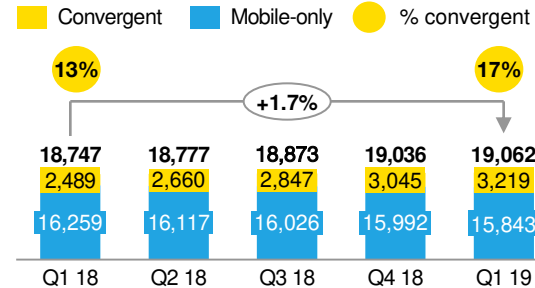
Revenue evolution (in €m)



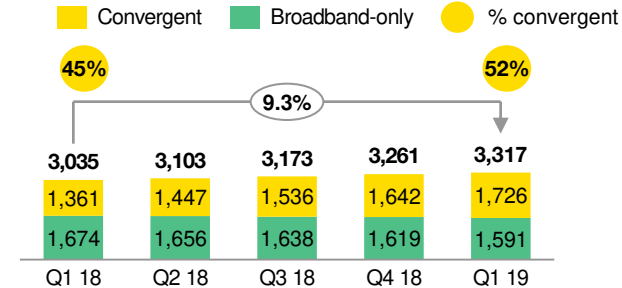
Belgium & Luxembourg, Retail services revenue evolution (yoy in %)



Europe, mobile contract customer base ex-M2M (in '000s)



Europe, Fixed Broadband customer base (in '000s)



Q1 2019 Africa & Middle East

Another quarter of outstanding growth sustained by a very solid retail dynamic

in €m	Q1 19	Q1 18 cb	yoy cb
Revenues	1 349	1 282	+5.3%
Retail services (B2C+B2B)	1 125	1 044	+7.8%
Mobile only services	1 005	933	+7.7%
Fixed only services	117	108	+8.1%
IT & integration services	3	3	+15.0%
Wholesale	197	207	-4.6%
Equipment sales	21	21	+1.7%
Other revenues	6	10	-41.6%



17.6m 4G customers

+50%
yoy

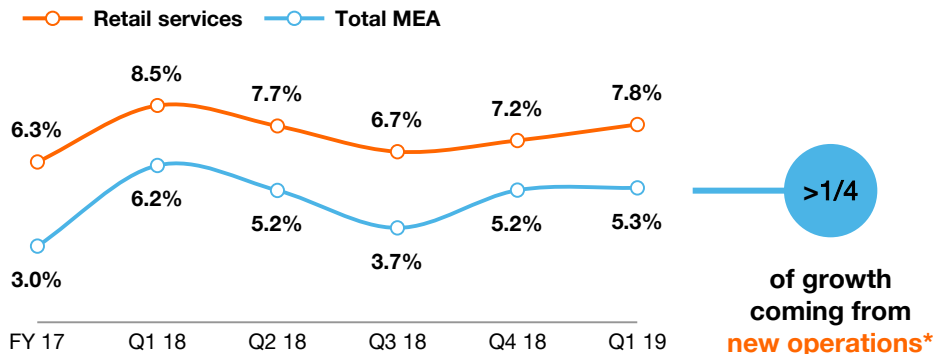


> 2/3

of mobile only revenue growth in Q1 19 from **Data**

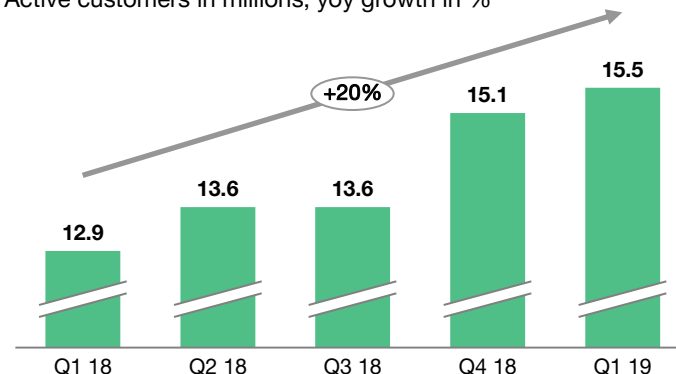
> 80% of revenue comes from sustainably solid retail services

Revenue cb yoy growth in %



>1/3 of 41m Orange Money customers are active **

Active customers in millions, yoy growth in %



** At least 1 transaction a month

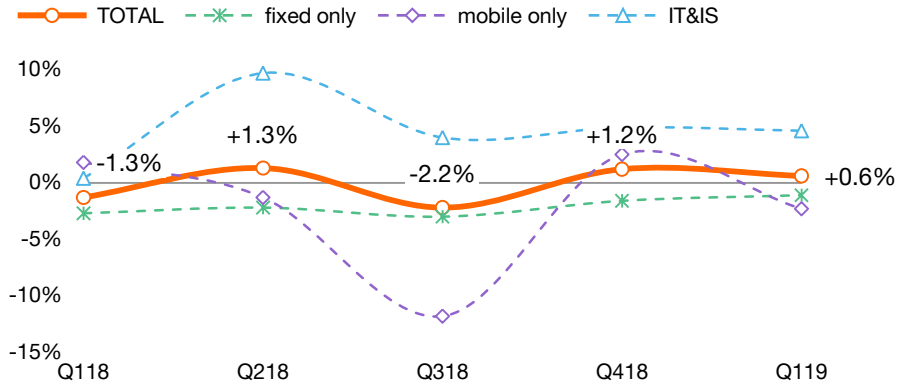
Q1 2019 Enterprise

2nd quarter of growth in a row driven by the performance of IT&IS and data

in €m	Q1 19	Q1 18 cb	yoy cb
Revenues	1 831	1 821	+0.6%
Fixed only services	986	997	-1.1%
voice	327	347	-6.0%
data	659	649	+1.5%
IT & integration services	609	582	+4.6%
Mobile*	237	242	-2.3%

*Mobile = Mobile Only Services + Equipment Sales + Wholesale

Revenues growth fueled by IT&IS (yoy in %)



Significant equipment contract (3Q17)



Cyberdefense +30% yoy
Revenue growth in Q1 19



Acquisition of **SecureData**, largest independent managed cybersecurity service provider in the UK



Leader of Global Network Service Providers (Gartner Magic Quadrant) driven by SDWAN success

Section three

2019 guidance

Guidance

Excluding the impact from the network sharing deal with Vodafone

2019

EBITDAaL	Slight growth
eCAPEX ⁽¹⁾	Slight decrease from 2018 peak
Operating Cash Flow ⁽²⁾	Growth
Net debt ⁽³⁾ / EBITDAaL (telecom)	Around 2x in the medium term
Dividend ⁽⁴⁾	Floor of €70 cent

⁽¹⁾ Economic CAPEX

⁽²⁾ EBITDAaL – Economic CAPEX

⁽³⁾ Excluding IFRS16 lease liabilities

⁽⁴⁾ Subject to shareholders' approval

Appendices

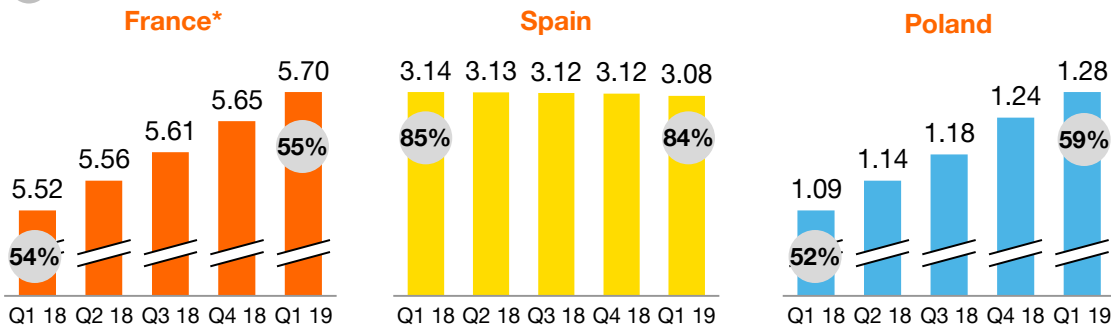
Convergence, the bedrock of our strategy

€ **1.7** bn
 ↗ **+4.6%** yoy
 Convergent services
 revenues in Q1 2019



Convergent B2C customer base in million

● % of broadband B2C customer base



Churn improvement with convergence in Q1**



-3pts



-3pts



-4pts

Quarterly convergent ARPO, in €/month in Q1



67.0€
-0.8% yoy



58.1€
+1.8% yoy



23.6€
+0.7% yoy***

Number of mobile lines per convergent offer (Q1 yoy growth)



1.64
+2.3% yoy



1.90
+2.1% yoy



1.91
-0.4% yoy

* cb Open customers only

** Churn differential between convergent B2C customers and total fixed BB B2C customers

*** YoY evolution calculated in local currency