

#Q3_2018

Orange financial results

Ramon Fernandez

Deputy CEO, Finance, Performance and Europe

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Disclaimer

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Section one

Q3 2018 highlights

Group achievements

Q3

Revenue +0.6% yoy

Adj. EBITDA +3.0% yoy

9m

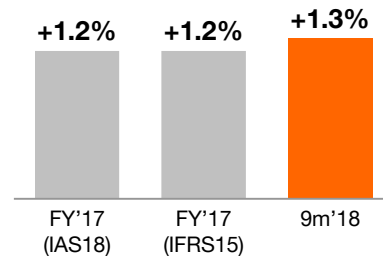
Revenue +1.3% yoy

Adj. EBITDA +3.2% yoy

9m 2018

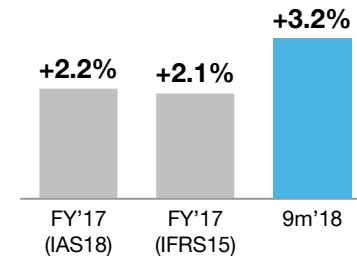
Revenue

€ **30.6** bn



Adjusted EBITDA*

€ **9.7** bn



Adj. EBITDA
telecom

+3.7%
yoy

Adj. EBITDA
telecom margin

+0.7pt
yoy

CAPEX

5.1
€ billion

OpCF

+0.1%
yoy

* see slide 19 for EBITDA adjustments

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"

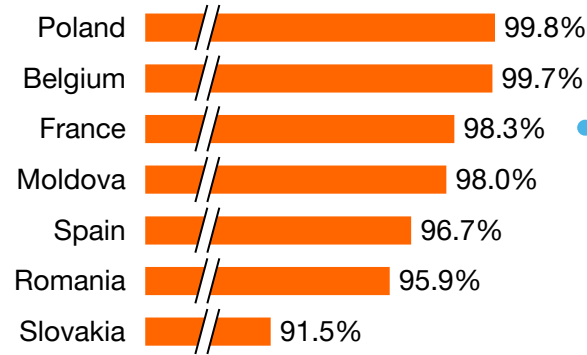
Sustained investment efforts to keep our competitive advantage in connectivity

Group	Telecom
9m 2018 CAPEX	+6.2% +€300m yoy
€5.1bn	As % of rev. 16.7% +0.8pt yoy
+ 6.0% yoy + €293m yoy	



4G coverage

Population covered in %, yoy evolution in pts

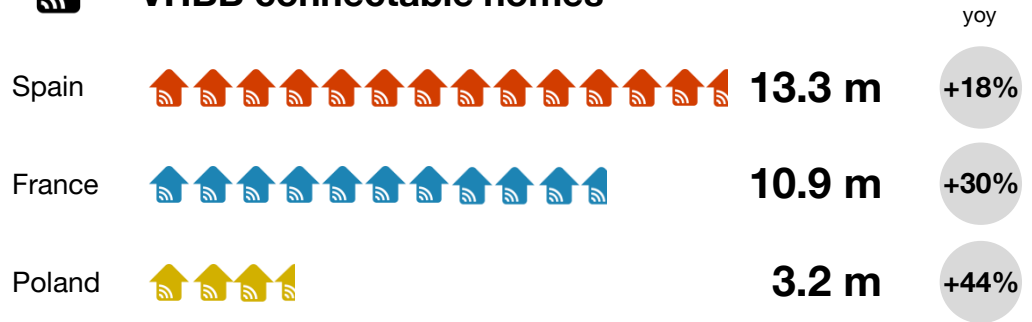


N°1

Orange mobile network in France recognized by ARCEP as the best network for the 8th consecutive year



VHBB connectable homes*



* VHBB > 100 Mbps

Solid commercial momentum driven by VHBB and 4G

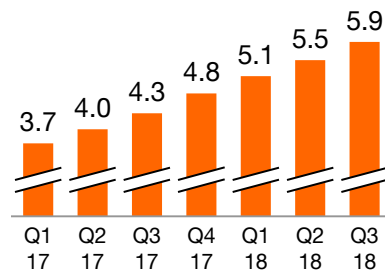
VHBB > 100 Mbps



VHBB customers
in million

5.9m

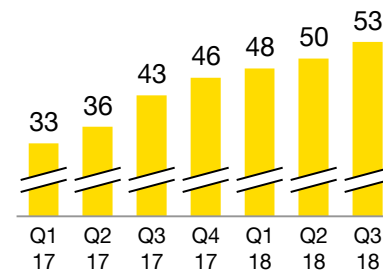
+36% yoy



4G customers*
in million

53.4m

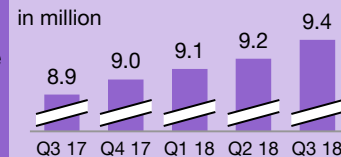
+25% yoy



Broadband
customer base
yoy growth
+3.6%

Mobile contract
customer base
yoy growth
+2.2%

TV
customer base
yoy growth
+5.7%



Convergence, the bedrock of our strategy

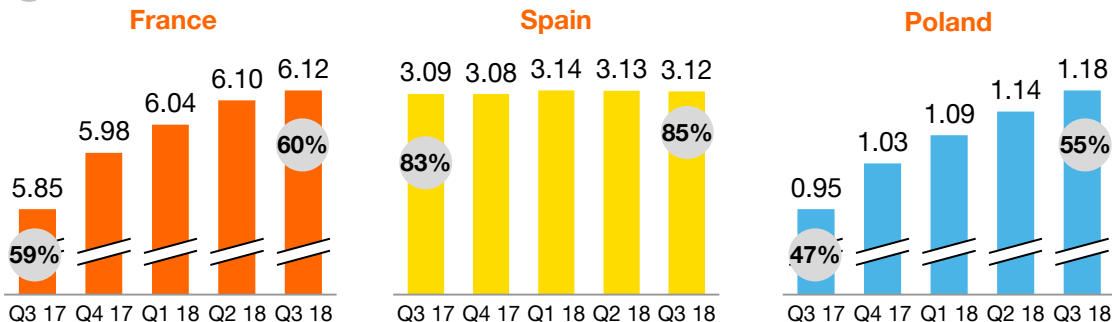
€ **1.8** bn Convergent services
revenues in Q3

 **+9.5% yoy**



Convergent B2C customer base in million

 % of broadband B2C customer base



Churn improvement with convergence in Q3*



-3pts



-5pts



-5pts

Quarterly convergent ARPO, in €/month in Q3



€65.1
+4.0% yoy



€58.5
-0.3% yoy



€24.0
+0.3% yoy**

Number of mobile lines per convergent offer in Q3



1.57
+2.7% yoy



1.88
+1.7% yoy



1.92
+3.0% yoy

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

** YoY evolution calculated in local currency

Section two

Business review

Q3 2018 France

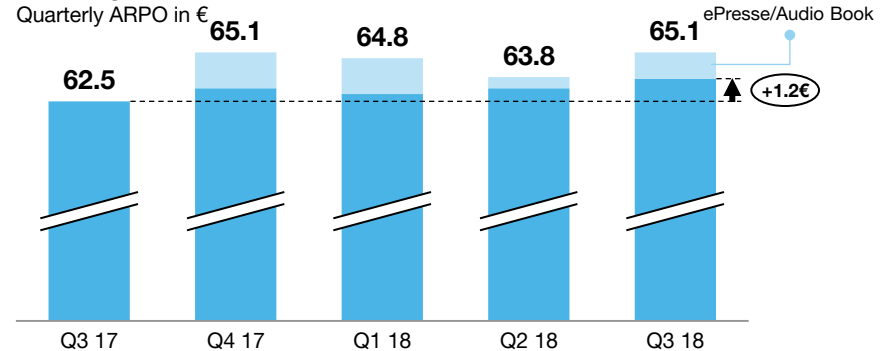
Strong Retail services growth driven by convergent services

in €m	Q3 18	yoy cb	9m 18	yoy cb
Revenues	4,572	+0.9%	13,524	+1.2%
Retail services	2,755	+2.1%	8,238	+2.4%
Convergent services*	1,126	+10.7%	3,322	+12.3%
Mobile only services	587	-2.5%	1,770	-2.1%
Fixed only services	1,041	-3.4%	3,146	-4.0%
Fixed only broadband	644	+3.1%	1,925	+1.9%
Fixed only narrowband	397	-12.2%	1,221	-12.0%
Wholesale	1,355	-2.2%	3,970	-2.1%
Equipment sales	349	+2.6%	959	+4.3%
Other revenues	114	+2.5%	355	+2.8%

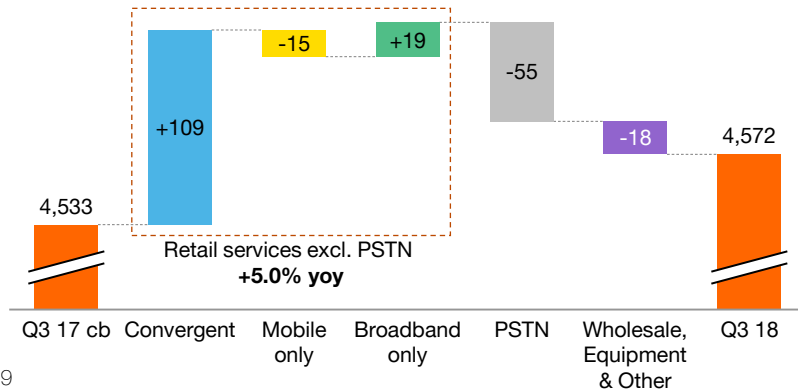
*B2C only

Convergent B2C ARPO

Quarterly ARPO in €

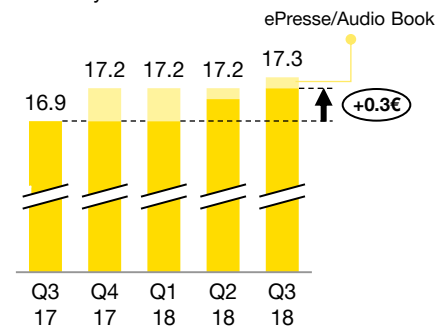


Revenue evolution (in €m)



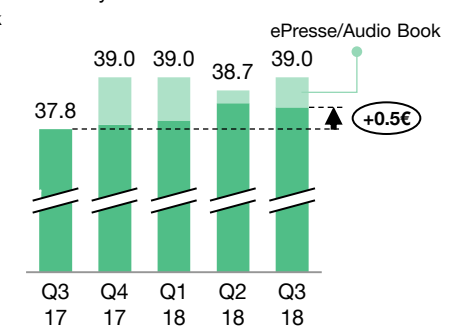
Mobile only ARPO

Quarterly ARPO in €




Broadband only ARPO

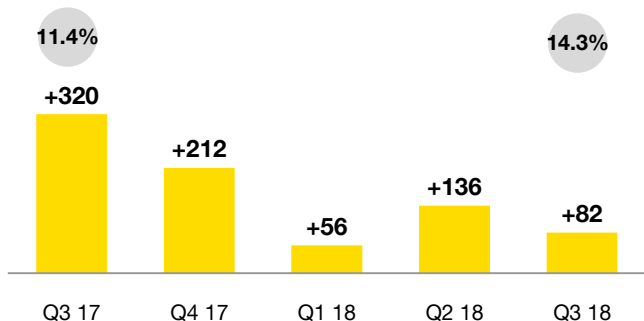
Quarterly ARPO in €




Q3 2018 France commercial performance

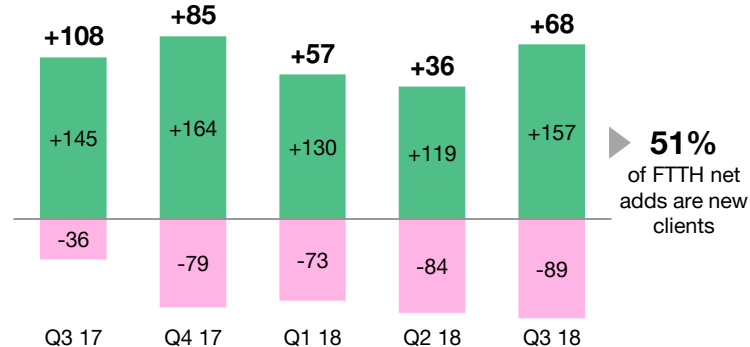
Strong net adds in mobile and broadband despite a very competitive environment

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



60%
of broadband B2C customers are on **convergent** offers (+1.2pt yoy)

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



4G 98.3% of 4G population coverage (+4,5pts yoy) **#1 position**

78% of B2C **voice contract** customers have a **4G plan** (+9pts yoy)

+2.7% Number of mobile **lines per convergent** offer (Q3 yoy growth)

10.9m of **FTTH** connectable homes (+30% yoy)

2.4m of **FTTH** customers (+31% yoy)

+3.4pts Growth of B2C broadband **convergent** customer **premium* mix**, yoy

Q3 2018 Spain

Fixed Broadband net-adds back to positive trend supported by FTTH and the success of football offers

in €m	Q3 18	yoy cb	9m 18	yoy cb
Revenues	1,340	+0.5%	3,974	+2.2%
Retail services	973	-0.2%	2,893	+1.7%
Convergent services*	539	+0.8%	1,603	+3.6%
Mobile only services	309	-1.9%	918	-0.8%
Fixed only services	125	-0.9%	370	+0.2%
Wholesale	211	+6.4%	582	+3.8%
Equipment sales	155	-2.1%	499	+3.0%

*B2C only

+1.4% Q3 Revenue growth
yoy excl. MTR impact

4G Market leader in terms
of 4G customers

85% Convergence as % of broadband B2C customer base +2pts yoy

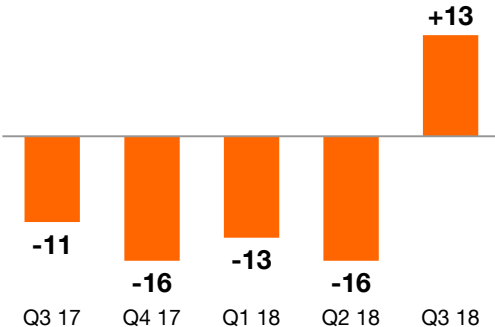
66% Fiber penetration in BB customer base +16pts yoy

60% 4G penetration in mobile customer base +3pts yoy

17% TV penetration in BB customer base +2pts yoy

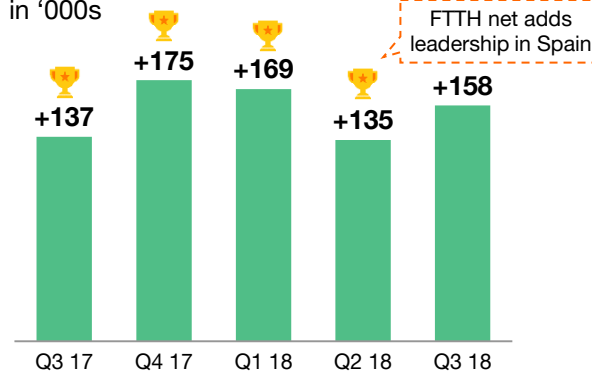
Broadband net adds

in '000s



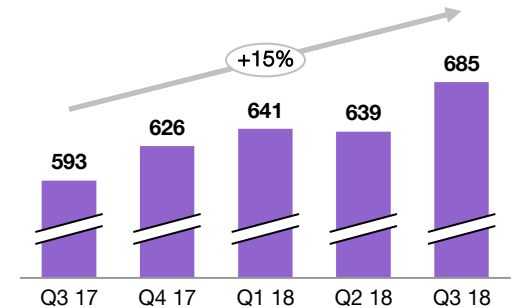
FTTH net adds

in '000s



TV customer base

in '000s and yoy growth in %



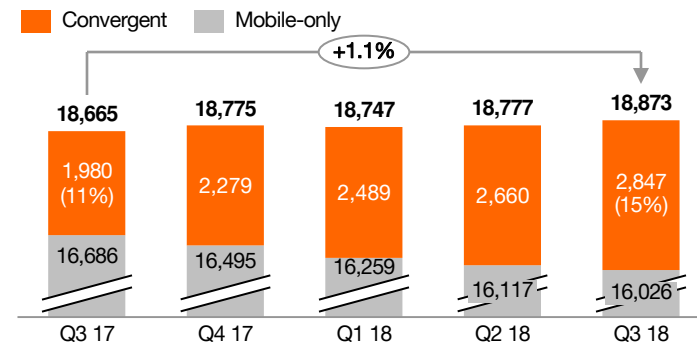
Q3 2018 Europe

Convergence driving better trends in retail services

in €m	Q3 18	yoy cb	9m 18	yoy cb
Revenues	1,411	+1.6%	4,185	+1.3%
Retail services	886	+2.6%	2,615	+1.9%
Convergent services*	122	+52.9%	335	+56.7%
Mobile only services	559	-1.1%	1,651	-2.5%
Fixed only services	170	-8.4%	527	-8.3%
IT & integration services	35	+8.8%	102	+21.5%
Wholesale	285	-2.1%	859	+1.3%
Equipment sales	207	+5.6%	605	+3.3%
Other revenues	32	-14.9%	106	-2.8%

*B2C only

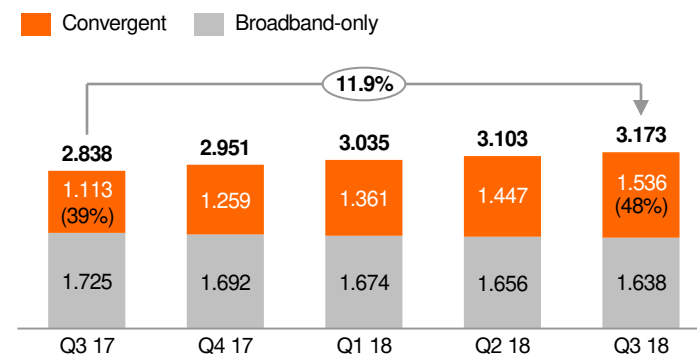
Mobile contract customer base, ex-M2M (in '000s)



Revenue evolution (in €m)



Fixed Broadband customer base (in '000s)



Q3 2018 Africa & Middle East

Continued revenue growth sustained by solid Retail dynamic

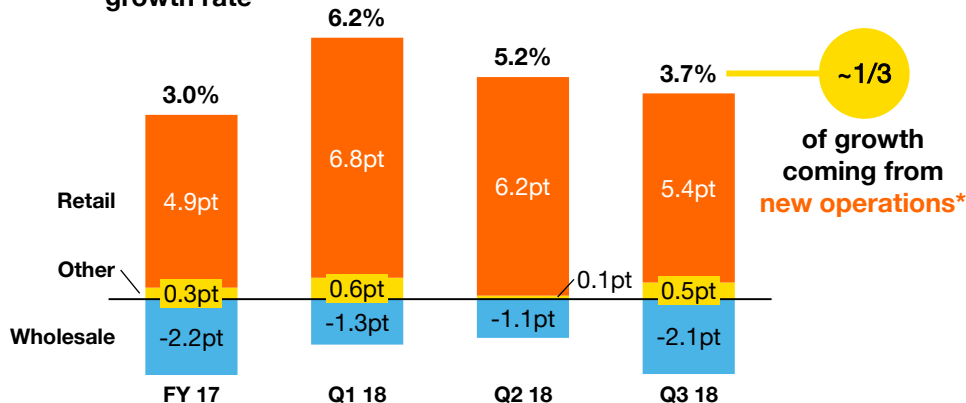
in €m	Q3 18	yoy cb	9m 18	yoy cb
Revenues	1,310	+3.7%	3,834	+5.0%
Retail services	1,079	+6.7%	3,148	+7.6%
Mobile only services	964	+6.5%	2,821	+8.1%
Fixed only services	113	+7.3%	318	+2.5%
IT & integration services	2	+82.6%	9	+85.9%
Wholesale	204	-11.7%	607	-8.3%
Equipment sales	18	+16.8%	58	+35.2%
Other revenues	9	+62.3%	22	-2.5%



15.1m 4G customers**

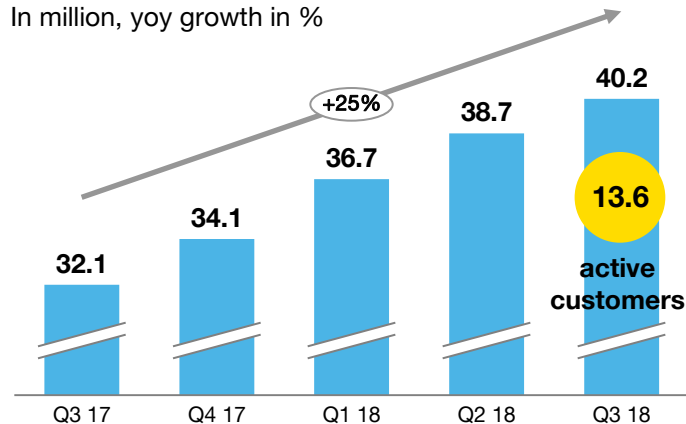
+57%
yoy

Retail services and Wholesale contribution to revenue growth rate



Orange Money customers**

In million, yoy growth in %



Q3 2018 Enterprise

Underlying revenue stabilizing, with growth for IT&IS, and data and voice under pressure

in €m	Q3 18	yoy cb	9m 18	yoy cb
Revenues	1,785	-2.2%	5,314	-0.7%
Fixed only services	992	-3.0%	2,988	-2.7%
Voice	342	-5.1%	1,040	-3.8%
Data	650	-1.9%	1,948	-2.1%
IT & integration services	561	+4.0%	1,610	+4.7%
Mobile*	232	-11.8%	716	-4.0%

*Mobile = Mobile Only Services + Equipment Sales + Wholesale



Cyberdefense
YTD revenue growth

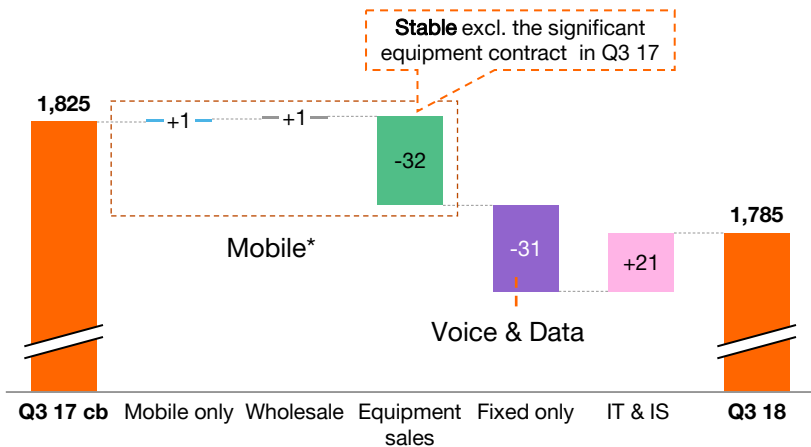
+16% yoy



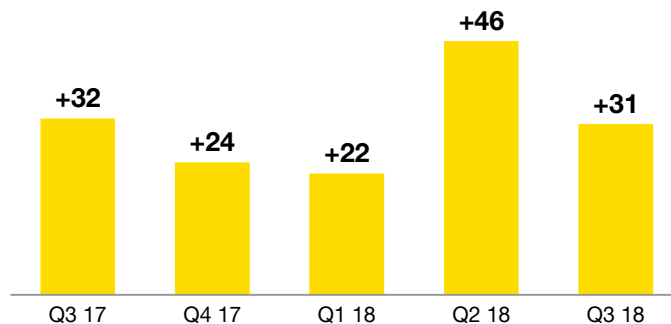
Cloud
YTD revenue growth

+10% yoy

Revenue evolution (in €m)





Mobile contract net adds excl.M2M (mostly France) in '000s



Section three

2018 guidance

Short and mid-term guidance

	2018	2019-2020
Adjusted EBITDA	Higher growth rate vs 2017	Growth
CAPEX	€7.4bn (peak)	Decrease
Operating Cash Flow *	Higher growth rate vs 2017	Growth
Net debt / Adjusted EBITDA (telecom)	Around 2x in the medium term	
Dividend	€70 cent** (↗ +€5 cent)  December 6 th , 2018*** 2018 interim of <u>€0.30</u> 	New floor of €70 cent

* Adjusted EBITDA – CAPEX

** Subject to shareholders' approval

*** ex-date December 4th, record date December 5th, payment date December 6th

Appendices

Appendix: B2C + B2B Orange customers in France

Mobile KPIs (in thousands)	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18
Mobile customers (excl. MVNOs)	29,508	30,033	30,489	31,150	31,624	31,777	32,012	32,482	32,836
Contract	25,759	26,486	27,090	27,842	28,433	28,821	29,184	29,720	30,170
M2M	5,115	5,711	6,228	6,829	7,068	7,220	7,506	7,859	8,196
Excluding M2M	20,644	20,775	20,862	21,012	21,365	21,601	21,678	21,861	21,975
Prepaid	3,748	3,547	3,398	3,308	3,191	2,956	2,827	2,762	2,665
Mobile volume market share (in %)	35.4%	35.5%	35.6%	35.8%	35.8%	35.6%	35.4%	35.6%	NA

Fixed KPIs (in thousands)	Q3 16	Q4 16	Q1 17	Q2 17	Q3 17	Q4 17	Q1 18	Q2 18	Q3 18
Broadband customers	11,056	11,151	11,220	11,290	11,402	11,485	11,537	11,572	11,639
o/w FTTH customers	1,308	1,452	1,579	1,690	1,835	1,999	2,129	2,260	2,418
o/w xDSL	9,693	9,643	9,587	9,548	9,517	9,438	9,362	9,268	9,179
Broadband market share (in %)	40.3%	40.2%	40.2%	40.3%	40.4%	40.4%	40.3%	40.3%	NA
Net adds broadband market share (in %)	58.1%	36.8%	28.7%	60.1%	64.1%	42.6%	26.6%	44.7%	NA

EBITDA adjustments

in €m	Q3 17 cb	Q3 18	9m 17 cb	9m 18
Adjusted EBITDA	3,581	3,687	9,372	9,671
restructuring and integration		-15	-74	-77
litigations		-6	-61	-38
labour related	-29	-91	-87	-115
o\w Senior Part Time	-29	-91	-106	-115
portfolio review and others	-	-	-	-
Reported EBITDA	3,552	3,574	9,151	9,440