

# Orange financial results

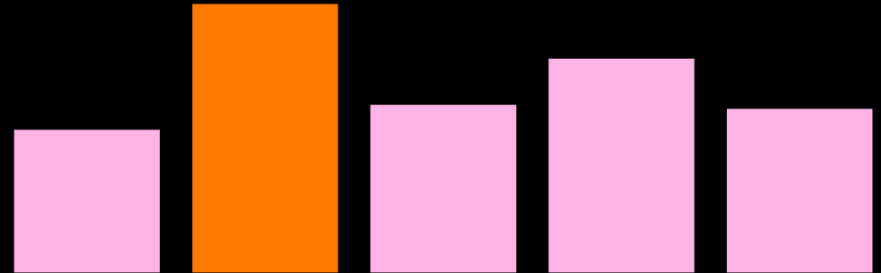
## #FY\_2021



17th February 2022

**Stéphane Richard**  
Chairman and CEO

**Ramon Fernandez**  
Deputy CEO, Finance, Performance and Development



# Disclaimer

This presentation contains forward-looking statements about Orange's financial situation, results of operations and strategy. 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. More detailed information on the potential risks that could affect our financial results is included in the Universal Registration Document filed on 17 March 2021 with the French Financial Markets Authority (AMF) and in the annual report (Form 20-F) filed on 18 March 2021 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.

A photograph of a business meeting in a modern office. In the foreground, a man with a beard and glasses, wearing a white shirt, is pointing with a pen at a large computer monitor. The monitor displays a line graph with a blue line. In the background, another man with a beard, wearing a dark shirt, is looking at the monitor with a thoughtful expression, his hand near his chin. Other people are visible in the background, slightly out of focus. The overall atmosphere is professional and collaborative.

**Section One**  
**FY 2021 highlights**

# Q4 Key messages



**FTTH European leadership** strengthened with globally 11.8m customers +22% yoy out of 56.5m FTTH connectable homes



**Convergence European leadership** confirmed with 11.5m customers and underpinned by **Telekom Romania** acquisition & ongoing process with **Voo**



Full completion of **TOTEM** carve-out and **Orange Concessions**



**Q4 EBITDAaL -0.7%** yoy +4.7% excl. employee shareholding plan



**Q4 eCapex down -6.2%** yoy with more than 80% of our network rollout finalized in France



**Organic cash flow\* of €2.4bn** €2.7bn before tax refund allocation

# Our commitments for environment, digital inclusion and diversity



## Digital inclusion

develop connectivity and inclusive services

Ambitions

FTTH connectable homes **56.5m** → 69m / 2023

Orange Digital Centers **9** → ≥26 / 2025

## Environment

reduce our CO<sub>2</sub> eq. emissions and implement circular economy to achieve Net Zero Carbon by 2040

CO<sub>2</sub> emissions reduction vs 2015 (scope 1&2) **-12%** → -30% / 2025

Collected mobile in Europe **20%** → 30% / 2025

## Diversity

align gender representation in management with employee representation

Women in management network (%) **31.6%** → 35% / 2025

### Energy management to limit CO<sub>2</sub> emissions

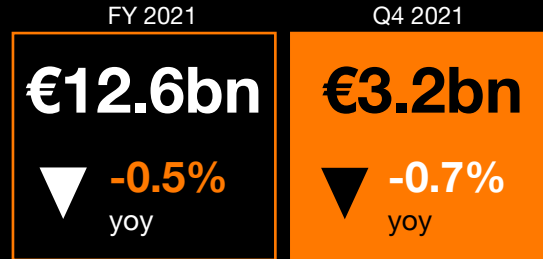
- Group electricity consumption from renewable source in 2021: 36.3%
- Securing our energy supply in the long term: accelerating the PPA program and Solarisation As A Service contracts

# 2021 financial achievements

## Revenue



## EBITDAaL



## eCapex

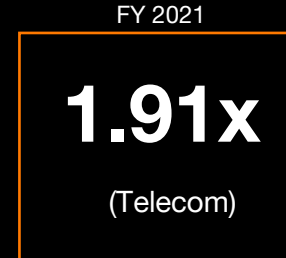


**+0.8%** •-----• **+4.7%**  
excl. employee shareholding plan

## Organic Cash Flow



## Net debt / EBITDAaL



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"

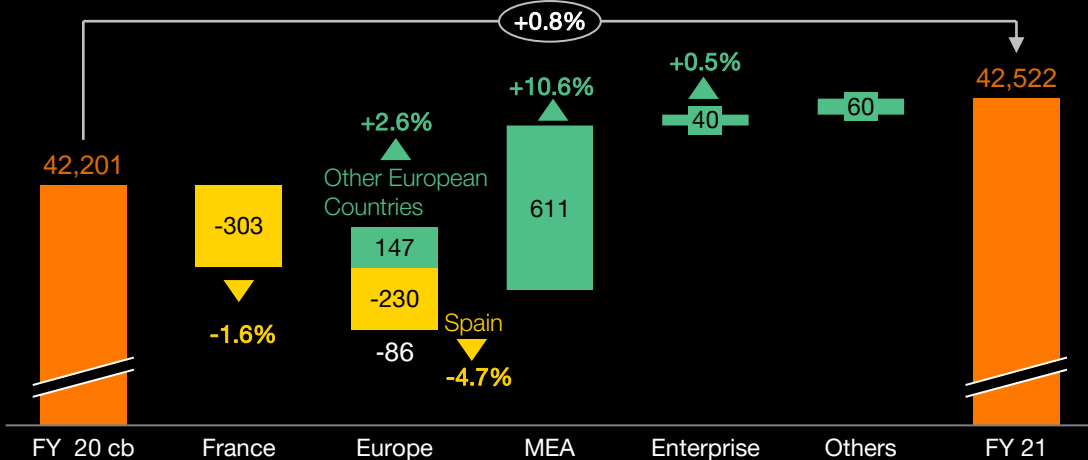
A professional office setting where several business people are gathered around a large monitor. One man in a white shirt is pointing at a line graph on the screen, while others, including a man with a beard in a dark shirt, look on attentively. The scene is brightly lit, suggesting a modern office environment.

## **Section Two**

# **Financial results overview**

# Revenue growth

FY 2021 revenue growth contribution per segment (yoy in €m)



FY 2021 revenue\*  
**€42.5bn**

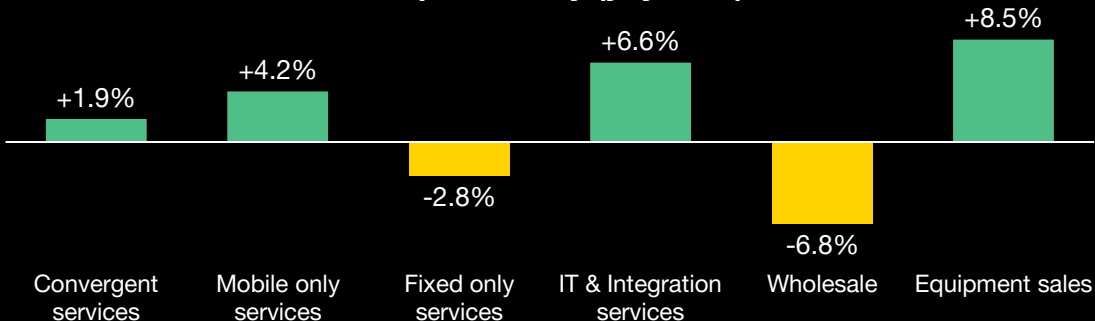
Q4 2021

yoy  
+0.5%  
+€51m

FY 2021

yoy  
+0.8%  
+€322m

FY 2021 revenue evolution per activity (yoy in %)



\* Orange Bank Net Banking Income is not included in Group revenues but in "Other operating income", that is below the revenue line and feeds directly into consolidated EBITDAaL.

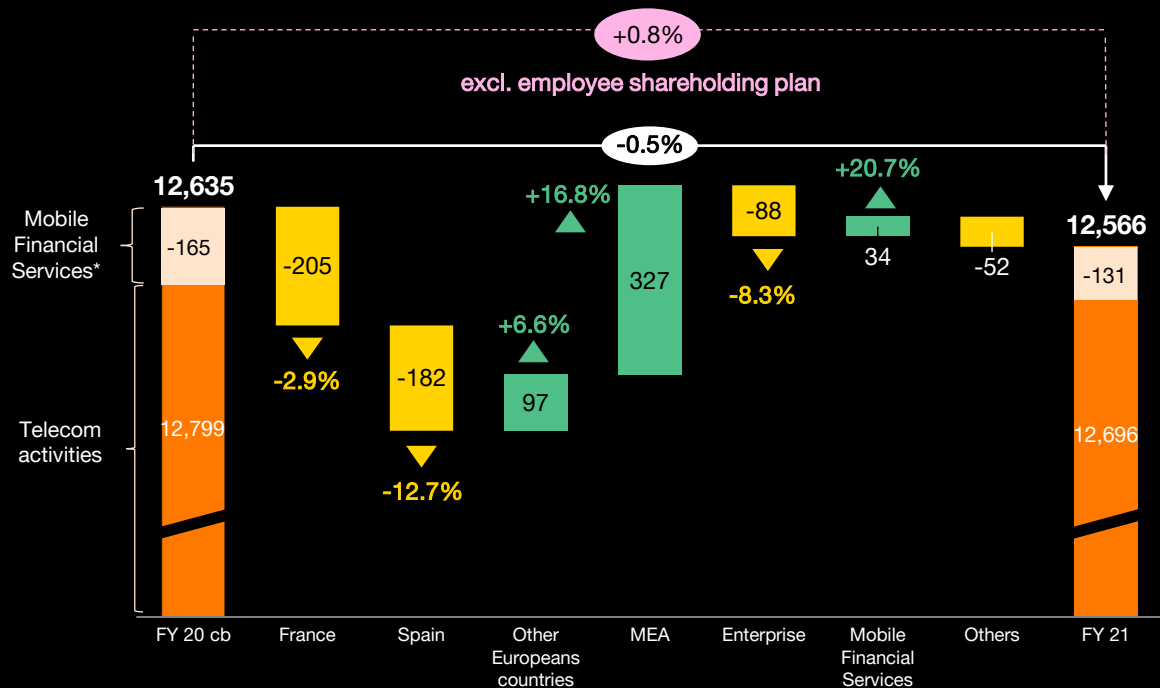


# EBITDAaL

## in line with guidance

FY 2021 Group EBITDAaL evolution per segment  
yoy, in €m

	Q4 2021	FY 2021
Group EBITDAaL	yoy -0.7% -€22m	yoy -0.5% -€69m
Telecom EBITDAaL	yoy -1.1% -€34m	yoy -0.8% -€103m



# Scale up

## On track to reach €1bn net reduction target by 2023



### First milestones achieved

with a new mindset in place  
feeding costs reductions ...

### ...and initiatives underway



New intergenerational agreement in France for 2022-2024 signed in December 2021



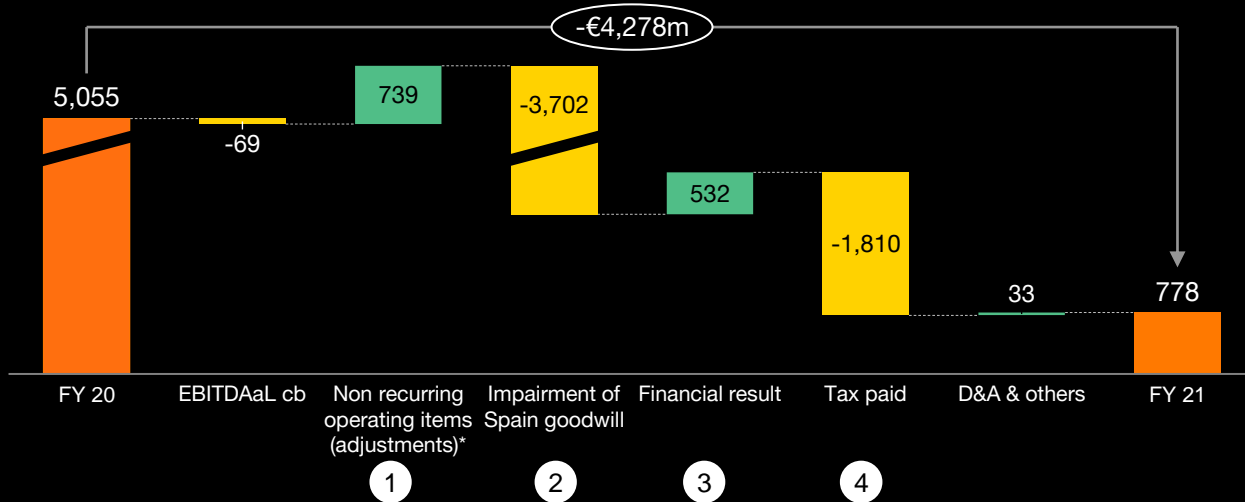
Densification and rationalisation of real estate portfolio



Strict optimisation of external expenses

# Net income down due to impairment on Spain and tax refund base effect

FY 2021 Group net income evolution (yoy, in €m)



- 1 Includes the impact of the deconsolidation of Orange Concessions partially offset by the provision related to the new voluntary French senior part-time plan
- 2 Impairment in Spain mainly reflects :
  - worsening competitive market environment
  - continuation of sanitary crisis delaying the economic turnaround
- 3 Includes hedging of subordinated notes denominated in GBP
- 4 Tax refund of €2.2bn received in 2020 base effect

FY 2021  
Net income

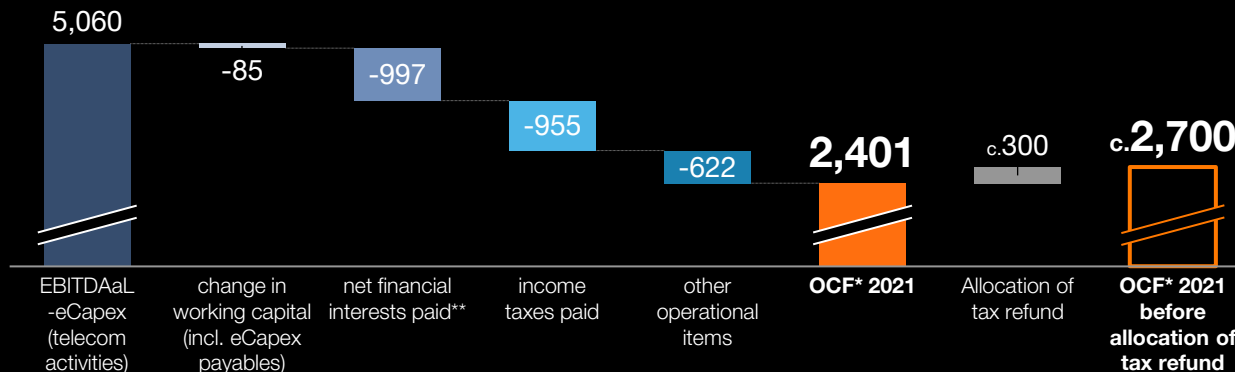
**€0.8bn**

-€4.3bn yoy

**€2.4bn  
Organic Cash  
Flow**

**Very solid  
balance sheet**

**Organic Cash Flow (OCF)\* reaching €2.4 bn in 2021 (in €m)**



	2020	2021
<b>Net debt* (telecom activities)</b>	<b>23,489</b>	<b>24,269</b>
Average maturity of OSA bonds (years)	8.6	8.9
Average cost of gross debt	2.95%	2.66%
<b>Net debt / EBITDAaL (telecom activities)</b>	<b>1.83x</b>	<b>1.91x</b>

**Strong liquidity position**  
(telecom activities)

**€16.6bn<sup>\*\*\*</sup>**

\*see details on slide 28

\*\*excluding €0.1bn in interest disbursed on lease liabilities

\*\*\*o/w €10.5bn in cash and €6.2bn available undrawn amount of credit facilities

A person wearing a white shirt is holding a dark blue smartphone in their left hand and using their right index finger to touch the screen. The background is a blurred train station platform with a white train and other people in the distance.

## **Section Three Business Review**

# Q4 2021 France

EBITDAaL growing excluding cofinancing & eCapex starting to decrease

in €m	Q4 21	yoy cb	FY 21	yoy cb
<b>Revenues</b>	<b>4 658</b>	<b>-1.5%</b>	<b>18 092</b>	<b>-1.6%</b>
Retail services	2 740	+1.6%	10 846	+0.8%
Wholesale	1 302	-9.3%	5 313	-8.4%
Equipment sales	403	-5.7%	1 226	+3.3%
<b>EBITDAaL</b>			<b>6 867</b>	<b>-2.9%</b>
<b>eCAPEX</b>			<b>4 117</b>	<b>+9.5%</b>

EBITDAaL -1.4% yoy excl. employee shareholding plan

**Revenue stabilization** FY excl. cofinancing

**+4%** **Q4 retail services acceleration** excl. PSTN

**+1.5%** **FY EBITDAaL growth** excl. cofinancing

**eCapex decline** started in H2

## Strong FTTH performance

**+351k**

**FTTH net adds**

Within +62k BB net adds

**>53%**

FTTH adds\*are  
**new customers**

**5.9m**

FTTH customer base  
**+32% yoy**



## Premium Mobile base

**Best Mobile network**

11th consecutive year

**+132k**

Net adds\*\* up

**12.1%**

Churn **down** yoy

**€70.5**  
**+€1.5**

Convergent ARPO  
**up** ↗

**€17.1**  
**+€0.24**

Mobile only ARPO  
**up** ↗

**€35.9**  
**+€0.01**

Fixed only ARPO  
**up** ↗

## All ARPOs UP yoy

**NPS leadership strengthened**

\*gross adds + migration

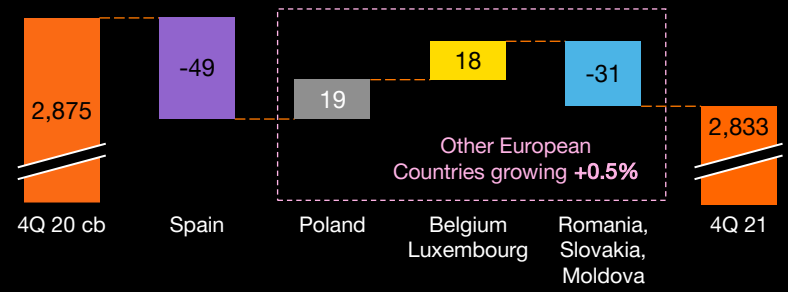
\*\*mobile contract excluding M2M

# Q4 2021 Europe

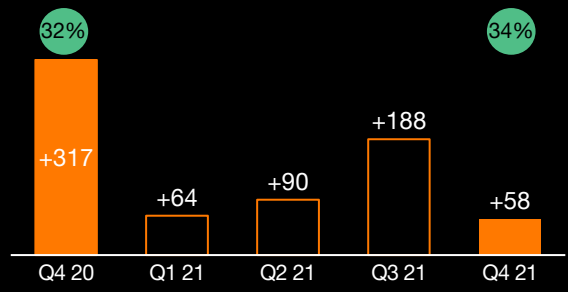
Positive commercial results. Excluding Spain, +6.6% FY 2021 EBITDAaL growth.

in €m	Q4 21	yoy cb	FY 21	yoy cb
<b>Revenues</b>	<b>2 833</b>	<b>-1.5%</b>	<b>10 579</b>	<b>-0.8%</b>
Retail services	1 854	-1.8%	7 046	-2.3%
Wholesale	509	-2.8%	1 886	-2.9%
Equipment sales	425	-1.0%	1 490	+8.4%
<b>EBITDAaL</b>			<b>2 830</b>	<b>-2.9%</b>
<b>eCAPEX</b>			<b>1 893</b>	<b>+1.8%</b>

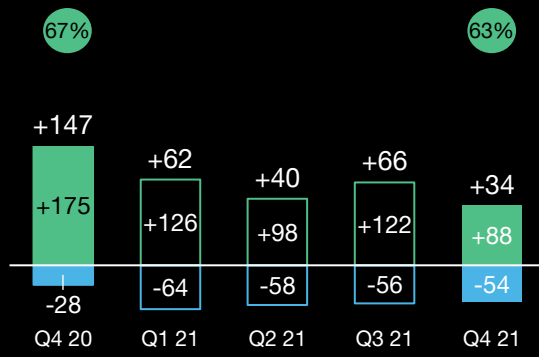
Q4 Revenue evolution (in €m)



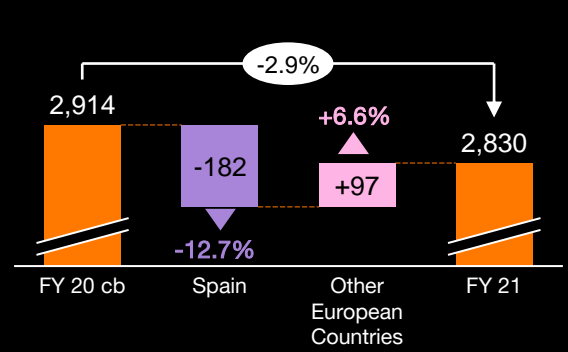
Mobile contract net adds ex-M2M (in '000s)



Fixed Broadband net adds (in '000s)



FY 2021 EBITDAaL (in '000s)



● % convergence in base

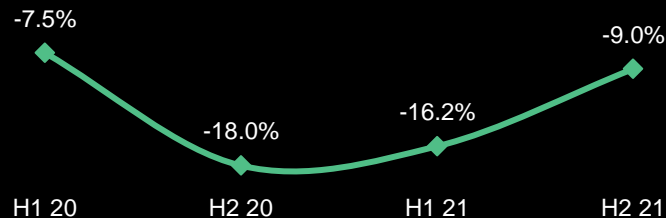
■ FTTH ■ Others (xDSL, Cable, Fixed LTE)

# Q4 2021 Spain

## H2 EBITDAaL on a significant trend improvement

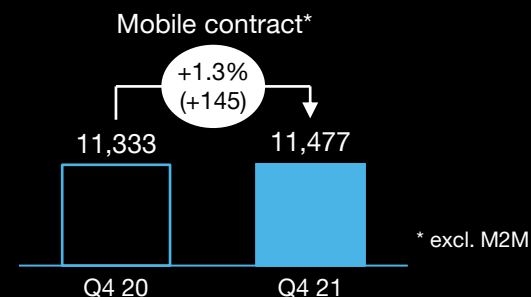
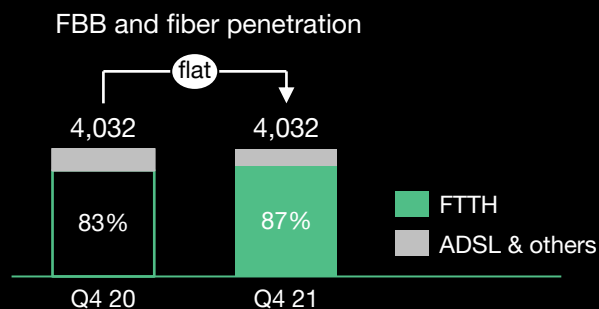
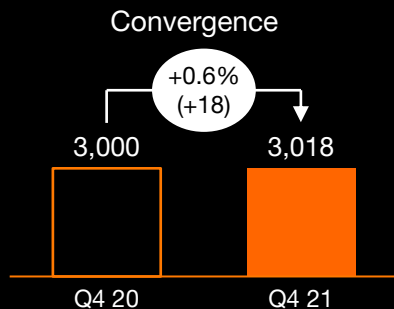
<i>in €m</i>	Q4 21	yoy cb	FY 21	yoy cb
<b>Revenues</b>	<b>1 176</b>	<b>-4.0%</b>	<b>4 720</b>	<b>-4.7%</b>
Retail services	792	-5.4%	3 198	-8.0%
Wholesale	229	-2.9%	900	-1.8%
Equipment sales	155	+1.8%	621	+13.6%
<b>EBITDAaL</b>			<b>1 251</b>	<b>-12.7%</b>
eCAPEX			<b>980</b>	<b>+1.1%</b>

### EBITDAaL trend improved yoy



**Q4 21** ▶ Convergence net adds ⬇️ -9k      FBB net adds ⬇️ -2k o/w FTTH net adds ⬆️ +31k      Mobile contract net adds\* ⬆️ +9k  
 Convergence churn ⬆️ -5pp yoy      FBB churn ⬆️ -5pp yoy      Mobile contract churn\* ⬆️ -6pp yoy

### Stabilization of FBB customer base & growth of convergence and mobile contract\* driven by churn improvement (in '000)



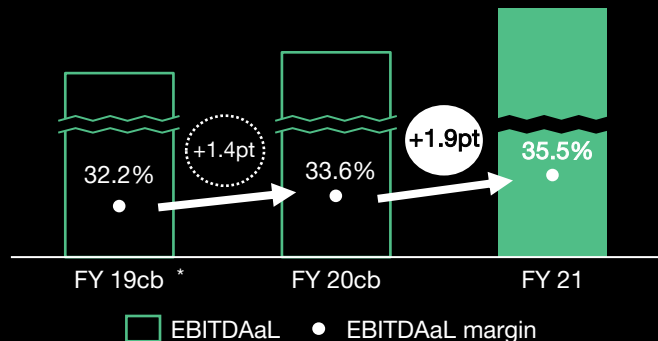


# Q4 2021 Africa & Middle East

Outstanding performance with FY 2021 EBITDAaL growth +17%

<i>in €m</i>	Q4 21	yoy cb	FY 21	yoy cb
<b>Revenues</b>	<b>1 687</b>	<b>+9.0%</b>	<b>6 381</b>	<b>+10.6%</b>
Retail services	1 469	+10.8%	5 579	+12.8%
Wholesale	178	-1.5%	654	-4.7%
Equipment sales	31	2.1%	112	+16.5%
<b>EBITDAaL</b>			<b>2 265</b>	<b>+16.8%</b>
eCAPEX			<b>1 064</b>	<b>+3.8%</b>

## Continued improvement of EBITDAaL margin



**44.4m** 4G customers  
+34.4% yoy

**+25.4%**  
yoy

**Data**  
revenue growth  
FY 2021



**25.1m** Orange Money  
active customers\*\*  
+14.6% yoy

**+4.4%**  
yoy

**Orange Money**  
revenue growth  
FY 2021



**2.1m** FBB customers  
+20.0% yoy

**+28.9%**  
yoy

**FBB**  
revenue growth  
FY 2021

\*Comparable basis 2019, as published in 2020 \*\*At least one transaction per month

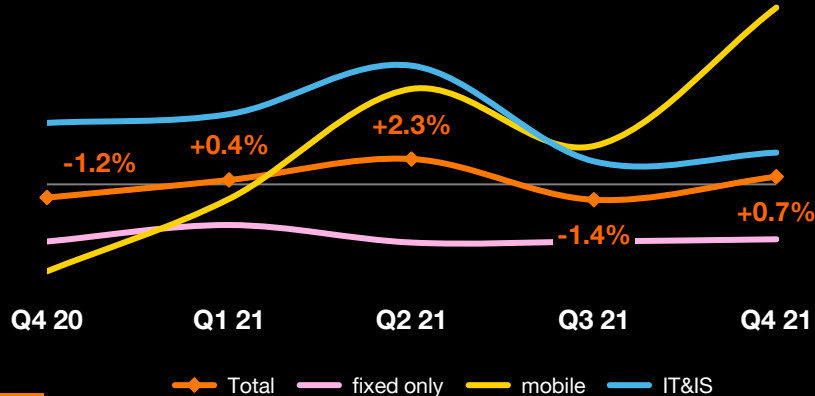
# Q4 2021 Enterprise

Revenue back to growth, EBITDAaL impacted by legacy decline accelerated by the pandemic

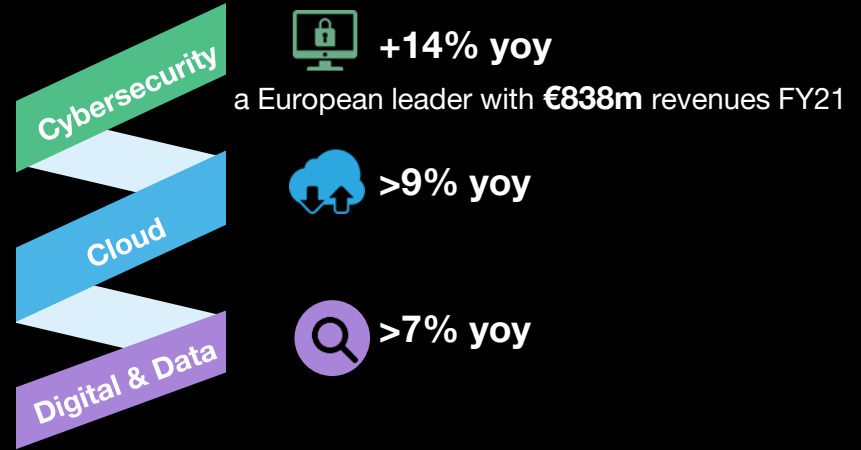
<i>in €m</i>	Q4 21	yoy cb	FY 21	yoy cb
<b>Revenues</b>	<b>2 053</b>	<b>+0.7%</b>	<b>7 757</b>	<b>+0.5%</b>
Fixed only services	900	-5.0%	3 633	-4.8%
IT & integration services	885	+2.9%	3 195	+5.4%
Mobile	269	+16.1%	929	+6.8%
<b>EBITDAaL</b>			<b>970</b>	<b>-8.3%</b>
eCAPEX			318	-5.1%

EBITDAaL -5.7% yoy excl. employee shareholding plan

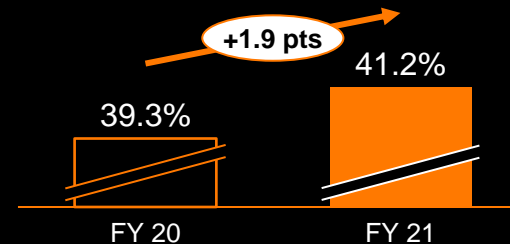
## Resilient revenue evolution



## Solid annual growth in IT&IS



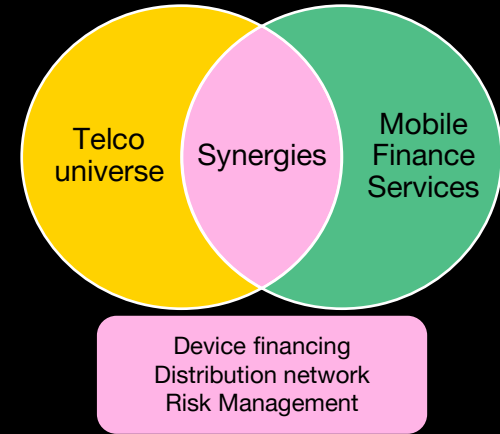
## Increasing IT&IS share in total Enterprise revenues



# Mobile Financial Services

Net Banking Income's growth putting EBITDAaL on recovery path

## Net Banking Income and EBITDAaL positive evolution



## A premium customer base, growing both in volume and value



### France



Best banking app with 92.2% satisfaction<sup>(2)</sup>



2<sup>nd</sup> brand spontaneously mentioned among digital banks<sup>(3)</sup>



44 banking transactions out of 100 mobile transactions carried out in Orange shops<sup>(4)</sup>

<sup>(1)</sup>with an Orange Bank offer, <sup>(2)</sup>Source Moneyvox, <sup>(3)</sup>Source IPSOS, <sup>(4)</sup>new bank account, mobile insurance or device financing

# Section Four Guidance



# Guidance 2021 fully achieved

## Solid ramp up in 2022

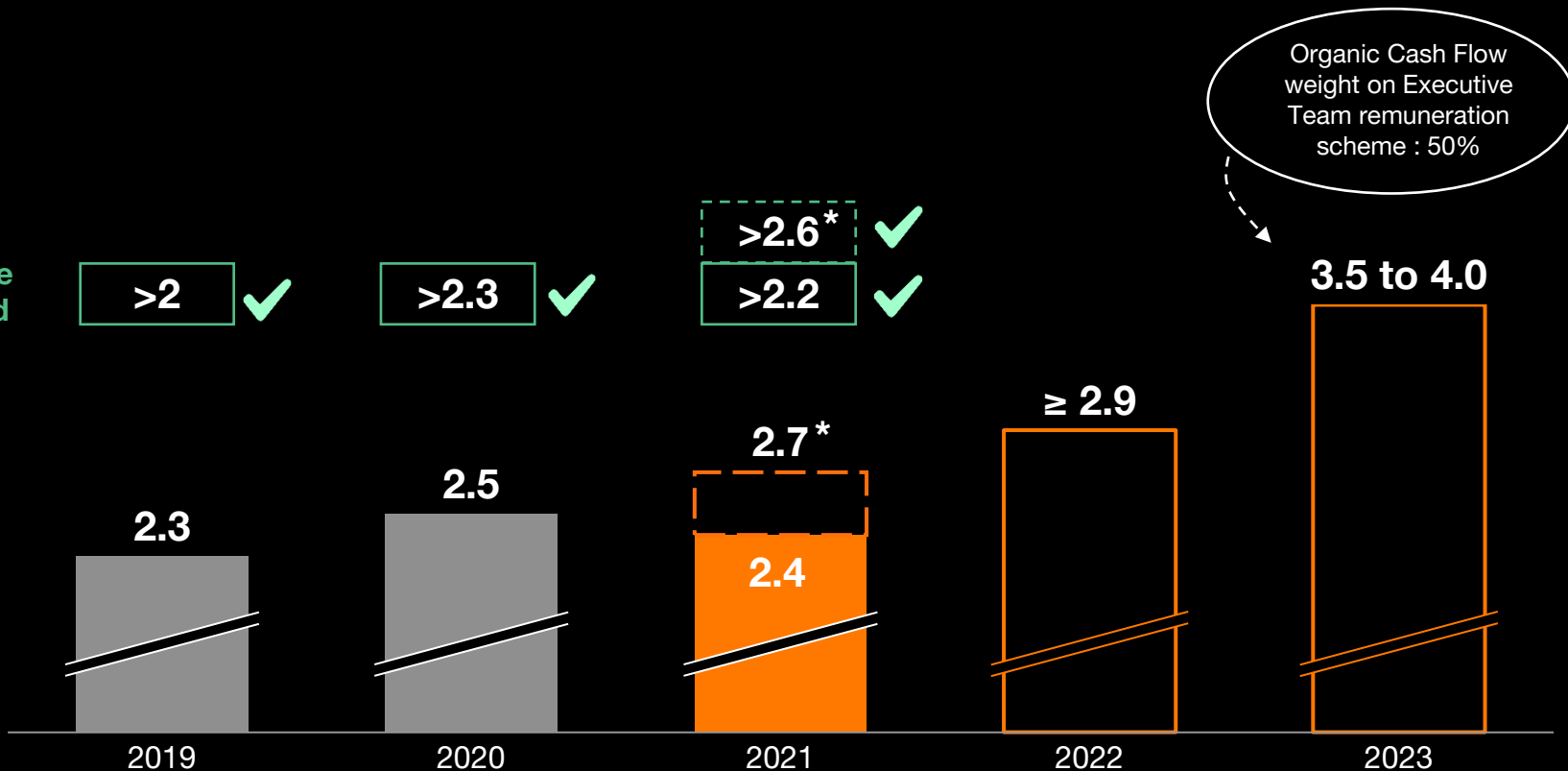
	2021 before tax refund allocation		2021		2022
EBITDAaL, yoy	Around +1%	✓	Flat -	✓	Growth between +2.5 to +3%
eCAPEX	~ €7.3bn	✓	€ 7.6 - 7.7bn	✓	≤ €7.4bn
Organic Cash Flow (telecom)	> €2.6bn	✓	> €2.2bn	✓	≥ €2.9bn
Net debt / EBITDAaL (telecom)	Around 2x in the medium term	✓	Around 2x in the medium term	✓	Around 2x in the medium term
Dividend	€0.70	✓	€0.70	✓	€0.70

# Guidance 2023 reiterated

## Organic Cash flow to reach €3.5bn-€4bn

(in €bn)

Guidance achieved



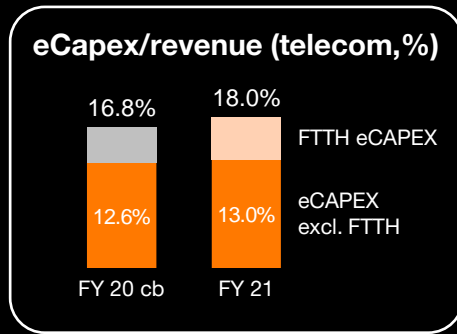
\* Before allocation of the tax refund received in 2020

A woman with long dark hair, wearing glasses and a red and white striped sweater, is sitting on a light-colored sofa. She is looking upwards and to the right, holding a smartphone in her hands. The background is a bright, out-of-focus living room with a window and a lamp. An orange rectangular box is overlaid on the left side of the image, containing the text "Annexes".

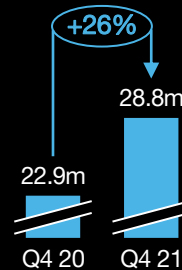
# Annexes

# eCapex downward trend initiated in H2

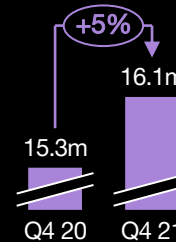
 **57.5m** VHBB\*\* connectable lines  
 **56.5m** o/w FTTH connectable lines



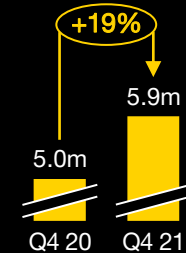
**FTTH connectable lines in France**



**VHBB connectable lines in Spain**



**FTTH connectable lines in Poland**



Q4 2021 eCapex

**€2.1bn**

yoy

-6.2%

-€139m

FY 2021 eCapex

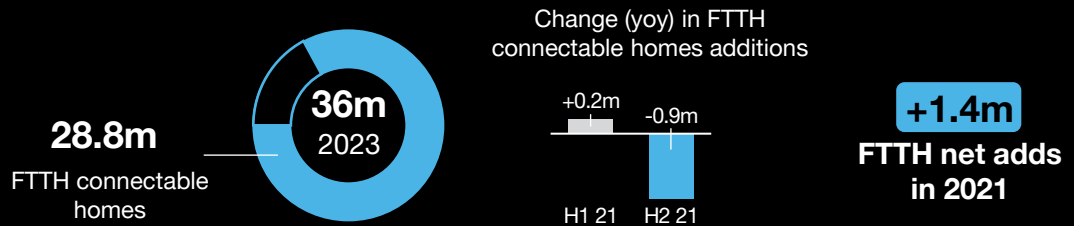
**€7.66bn**

yoy

+7.8%

+€557m

**eCapex decrease in France from H2 while reaching more than 80% of the 2023 FTTH target**



\*\*VHBB > 100 Mbps



# Convergence, the bedrock of our strategy

€ 1.9bn

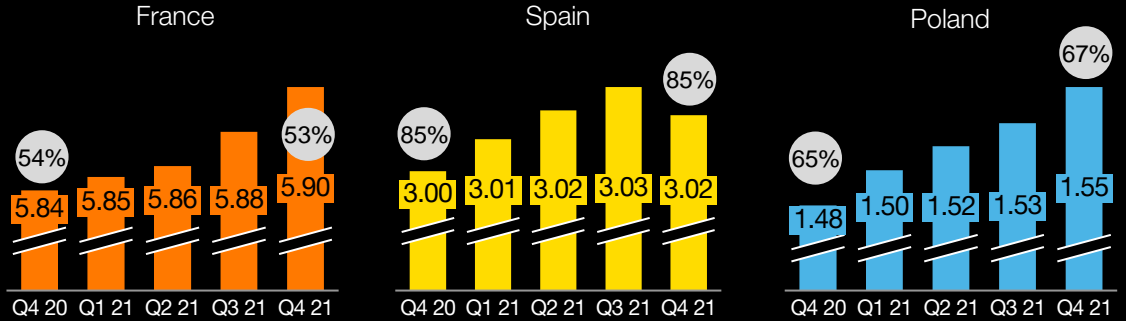
Convergent services  
revenues in Q4 2021

+4.0% yoy



Convergent B2C customer base in million

● % of broadband B2C customer base



Churn improvement with convergence in Q4\*



-4pts



-4pts



+0,5pt

Quarterly convergent ARPO, in €/month in Q4



€70.5  
+2.1% yoy



€53.6  
-1.8% yoy



€22.6  
+5.6% yoy\*\*

Number of mobile lines per convergent offer (Q4 yoy growth)



1.69  
+0.6% yoy



2.08  
+4,1% yoy



1.87  
-0.6% yoy

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

\*\* YoY change calculated in local currency

# Change in net income

(in millions euros)	FY 2020 historical	FY 2020 cb	FY 2021 actual
<b>EBITDAaL</b>	12,680	12,635	12,566
Adjustments*	(115)		623
Depreciation & amortization of fixed assets	(7,134)		(7,074)
Impairment of goodwill & fixed assets	(30)		(3,719)
Share of profit (losses) of associates and JV	(2)		3
Other income / (charge)	122		121
<b>Operating income</b>	<b>5,521</b>		<b>2,521</b>
Financial result	(1,314)		(782)
Tax	848		(962)
<b>Net income from continuing activities</b>	<b>5,055</b>		<b>778</b>
<b>Net income from consolidated Group</b>	<b>5,055</b>		<b>778</b>
Minority interests	233		545
<b>Net income Group share</b>	<b>4,822</b>		<b>233</b>

\* See details on slide 27

# Adjustments

(in millions euros)	FY 2020 historical	FY 2020 cb	FY 2021 actual
Restructuring programs costs	(83)		(422)
Acquisitions and integration costs	(37)		(51)
Significant litigations	(211)		(134)
Specific labour expenses	(12)		(1,276)
<i>o/w Senior Part Time</i>	<i>(13)</i>		<i>(1,262)</i>
Fixed assets, investments and businesses portfolio review	228		2,507

# Change in net debt

(in millions of euros)

	FY 2020 historic	FY 2021 actual
<b>EBITDAaL - eCAPEX (telecom activities)</b>	<b>5,736</b>	<b>5,060</b>
Change in eCAPEX payables	307	(205)
Change in working capital requirements	(500)	120
Net interest paid (including dividends received) <sup>1</sup>	(1,127)	(997)
Income taxes paid	(1,085)	(955)
Other operational items <sup>2</sup>	(838)	(622)
<b>Organic Cash Flow (telecom activities)</b>	<b>2,494</b>	<b>2,401</b>
Licences and spectrum paid	(351)	(717)
Main litigations paid/received	2,217	(306)
Net impact of changes in the scope <sup>3</sup>	(39)	986
Subordinated notes issuances (purchases), other related fees and coupons <sup>4</sup>	(292)	(550)
Dividends paid to owners of parent company	(1,595)	(2,127)
Dividends paid to non-controlling interests	(225)	(218)
Other financial items <sup>3</sup>	(234)	(250)
<b>Change in net debt</b>	<b>1,976</b>	<b>(780)</b>
Net financial debt	(23,489)	(24,269)
<b>Ratio of net financial debt / EBITDAaL of telecom activities</b>	<b>1.83x</b>	<b>1.91x</b>

<sup>1</sup> Excluding €121m of interest expenses on IFRS 16 leases and financed assets in FY 2021, €132m in FY 2020.

<sup>2</sup> Of which (i) disbursements related to “Part- Time for Seniors” plan in France (TPS, procedures in relation to agreements on the employment of seniors in France) and related to restructuring and integration costs, (ii) repayments of lease liabilities, and (iii) elimination of non-monetary effects included in EBITDAaL.

<sup>3</sup> Non-cash effects on net debt related to changes in the scope of consolidation previously presented under “other financial items” are now presented under “Net impacts of changes in the scope of consolidation” for €50m in FY 2020 and €29m in FY 2021.

<sup>4</sup> Of which: coupons for (238)m€ and issuances (purchases) and other related fees for (311)m€.

<sup>5</sup> Mainly related to (i) disposal of 50% of Orange Concessions (€758 million for shares sold net of cash and €663 million of repayment of loans granted to Orange Concessions and its subsidiaries) and disposal of 50% of Światłowód Inwestycje (FiberCo in Poland, including €132 million for shares sold net of cash), (ii) partly offset by the acquisition of 54% of Telekom Romania Communications (TKR) for €206 million, the conditional voluntary takeover bid for Orange Belgium for €316 million and the purchase of Groupama's minority interests in Orange Bank