Orange financial results

#FY_2020

18 February 2021

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. In particular, the Covid-19 outbreak may exacerbate the risks that the Group could face. More detailed information on the potential risks that could affect our financial results is included in the Universal Registration Document filed on 20 April 2020 with the French Financial Markets Authority (AMF) and in the annual report (Form 20-F) filed on 21 April 2020 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

FY 2020 highlights
Key messages

- Excellent commercial performance overall with FTTH net adds record

- Resilient revenues in the context of Covid supported by outstanding MEA and solid France

- **B2B**
  - Solid Recovery on IT&IS in Q4 thanks to Cloud and Cyberdefense
  - European leader in cybersecurity with 11% revenue growth in Q4

- Key milestones in infrastructure achieved with recent signing of Orange
  concessions transaction and creation of European Towerco well on track

- All elements of guidance achieved including turnaround of 2020 Organic Cash Flow at 2.5bn€ (vs. > 2.3bn€ guidance) reinforcing our strong balance sheet
2020 key achievements

**FTTH**
- 47.2m connectable homes
- 9.3m cust. +24% yoy
- +1.8m customers yoy, accelerating in Q4

**5G**
- Successful launch in 5 European countries
- Strong appetite for 5G smartphones

**France**
- Record FTTH net adds in Q4 +388k
- Best mobile network 10th year in a row
- #1 NPS

**Europe**
- New organization for “Back to growth” plan
- Best quarterly FTTH net adds in Poland
- Acquisition of Telekom Romania ongoing

**Enterprise**
- IT&IS growth at +2.3% yoy FY
- back to solid trend in Q4 at +5.6% despite the crisis
- #1 in Cloud in Europe for Hosted Private Cloud*

**MEA**
- 1.96 bn€ in EBITDAaL FY20 +10% growth in 1y
- 1st time crossing €500m revenues
- >350k OB clients in Africa in 5 mo.

* For offering & market presence (ranking Forester)
Orange Concessions: the leading fiber platform in French rural areas

**SCOPE**

Awarded lines in PIN areas: 4,489k

A platform set for exceptional growth

- **50/50 partnership** with an option to acquire an extra 1% share governance rights over the long term
- **High profile financial partners** with extensive expertise in infrastructure management
- **Dedicated management** to maximize the value of this specific class of assets
- **Increased financial flexibility** to seize growth opportunities

Highly attractive economic terms

- **~€2.7bn** Enterprise Value ("EV")
- **~€2.2bn** Estimated Equity Value (1)
- **~€600** EV/awarded line

Already built: 1,156k + To be built: 3,333k

Orange to be the exclusive industrial partner of Orange Concessions for network construction

No commitment from ORA MNO

(1) Subject to closing adjustments.
FY 2020 financial 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”.
*subject to shareholders’ approval; ex-date June 15th, record date June 16th, payment date June 17th 2021 for the €0.30 2020 balance plus additional €0.20 linked to tax refund allocation.

Revenue: €42.3bn, +0.3% yoy in FY20
EBITDAaL: €12.7bn, -1.0% yoy in FY20
eCapex: €7.1bn, -1.7% yoy in FY20

- Organic CF (telecom): €2.5 billion
- Net debt / EBITDAaL (telecom): 1.83x
- Dividend 2020*: €0.70
- Additional 0.20 € linked to tax refund allocation
Towards a more sustainable, inclusive & responsible 2025

**Digital inclusion**
develop connectivity and inclusive services

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>VHBB addressable homes (in millions)</td>
<td>48m</td>
<td>69m / 2023</td>
</tr>
<tr>
<td>Orange Digital Center</td>
<td>3</td>
<td>32 / 2025</td>
</tr>
</tbody>
</table>

**Environment**
reduce our CO₂ eq. emissions and implement circular economy to achieve Net Zero Carbon by 2040

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>CO₂ emissions reduction vs 2015 (%)</td>
<td>-12%</td>
<td>-30% / 2025</td>
</tr>
<tr>
<td>Collected mobile (% in Europe)</td>
<td>15%</td>
<td>30% / 2025</td>
</tr>
</tbody>
</table>

**Diversity**
align gender representation in management with employee representation

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women in management network (%)</td>
<td>31%</td>
<td>35% / 2025</td>
</tr>
</tbody>
</table>

**Crisis solidarity actions, notably**
- Immediate payment for suppliers
- Significant budget increases for Orange Foundation
- Solidarity retail offers for both BtC and SMEs
Section Two

Financial results overview
Revenue slightly up in FY 2020

FY 2020 revenue* €42.3bn

+2.1% -0.9% -2.1% +4.1% +4.4% -9.5%
Convergent services Mobile only services Fixed only services IT & Integration services Wholesale Equipment sales

FY20 revenue growth contribution per segment (yoy in €m)

FY20 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 down in crisis context**

Growth in MEA, resilience in France and Europe mitigating deterioration in Spain & Enterprise

**FY 20 EBITDAaL Telecom growth per segment (yoy in €m)**

- **FY 19 cb**
  - France: 12,970
  - Other European countries exc. Spain: 18
  - MEA: 33
  - Spain: -179
  - Enterprise: -214
  - Others: 31
  - **FY 2020**: 12,839

**Negative FY 20 EBITDAaL impact related to crisis (€m)**

- Roaming: -292
- Costs linked directly to COVID: -253
- **Total**: -545

**FY 2020 EBITDAaL (Telecom)**

- **Yoy**
  - -1.8%
  - -1.0%
- **YoY in €m**
  - -60m
  - -131m

**As % of rev.**

- 29.7%
- 30.4%
  - -0.5pt yoy
  - -0.4pt yoy

**€12.8bn**
Net income up +56.9%

FY 2020 Net income
€5.1bn
yoy +56.9% +€1.8bn

1. EBITDAaL under pressure due to COVID crisis
2. Includes a negative comparable basis effect related to economic situation improvement in Egypt in 2019
3. Includes economic losses related to revaluating subordinated notes hedges in GBP and a positive comparable basis effect related to losses on BT shares in 2019

* See details on slide 43
Organic Cash Flow* turnaround

+$150m\,\text{€\,yoy}$

*Organic cash flow from telecoms activities corresponds to net cash provided by operating activities, minus (i) repayments of lease liabilities and on debts related to financed assets, and (ii) purchases and sales of property, plant and equipment and intangible assets, net of change in fixed assets payables, (iii) excluding telecommunication licenses paid and significant litigations paid (and received).

**Excluding 0.1 billion euros in interest disbursed on lease liabilities and on debts related to financed assets

***see details on slide 44
Section Three
Business review
Q4 2020 France: financial performance

Resilience of core retail services compensates structural decline of narrowband

<table>
<thead>
<tr>
<th>in €m</th>
<th>Q4 20</th>
<th>yoy cb</th>
<th>FY 20</th>
<th>yoy cb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>4,744</td>
<td>+0.2%</td>
<td>18,461</td>
<td>+1.6%</td>
</tr>
<tr>
<td>Retail services</td>
<td>2,696</td>
<td>-1.3%</td>
<td>10,764</td>
<td>-0.4%</td>
</tr>
<tr>
<td>Convergent services*</td>
<td>1,155</td>
<td>+0.5%</td>
<td>4,559</td>
<td>+3.1%</td>
</tr>
<tr>
<td>Mobile only services</td>
<td>558</td>
<td>-1.2%</td>
<td>2,245</td>
<td>-2.4%</td>
</tr>
<tr>
<td>Fixed only services</td>
<td>983</td>
<td>-3.3%</td>
<td>3,959</td>
<td>-3.1%</td>
</tr>
<tr>
<td>Fixed only broadband</td>
<td>696</td>
<td>+1.2%</td>
<td>2,748</td>
<td>+1.8%</td>
</tr>
<tr>
<td>Fixed only narrowband</td>
<td>287</td>
<td>-12.8%</td>
<td>1,212</td>
<td>-12.6%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>1,452</td>
<td>+1.9%</td>
<td>5,866</td>
<td>+6.7%</td>
</tr>
<tr>
<td>Equipment sales</td>
<td>427</td>
<td>-2.6%</td>
<td>1,187</td>
<td>-12.2%</td>
</tr>
<tr>
<td>Other revenues</td>
<td>169</td>
<td>+21.0%</td>
<td>644</td>
<td>+27.3%</td>
</tr>
<tr>
<td>EBITDA aeL</td>
<td>7,163</td>
<td>+0.2%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>EBITDA aeL margin</td>
<td></td>
<td>38.8%</td>
<td>-0.5pt</td>
<td></td>
</tr>
<tr>
<td>eCAPEX</td>
<td>3,748</td>
<td>-7.5%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>eCAPEX/revenues</td>
<td></td>
<td>20.3%</td>
<td>-2.0pt</td>
<td></td>
</tr>
</tbody>
</table>

* B2C only

ECAPEX/Revenues

+0.6% yoy Q4 Retail excl. digital content offers (DCO)
+0.1% yoy FY Retail excl. digital content offers (DCO)
+3.3% yoy Q4 Convergent services excl. DCO
+4.0% yoy FY Convergent services excl. DCO
+1.1% yoy FY20 EBITDA aeL excl. DCO

Convergent & mobile ARPO growth despite roaming drop

Solid retail services trend

ARPO Convergent **
ARPO Mobile only **
ARPO Fixed only **

Quarterly Convergent ARPO:

69.9€
69.0€
+1.0€
Q4 2020 France: commercial performance

Strengthening leadership

Mobile contract net adds (in ‘000s) and churn rate

<table>
<thead>
<tr>
<th>Quarter</th>
<th>Net adds excl M2M</th>
<th>Quarterly churn rate in %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 19</td>
<td>+47</td>
<td>13%</td>
</tr>
<tr>
<td>Q1 20</td>
<td>-58</td>
<td>13%</td>
</tr>
<tr>
<td>Q2 20</td>
<td>+29</td>
<td>13%</td>
</tr>
<tr>
<td>Q3 20</td>
<td>+125</td>
<td>13%</td>
</tr>
<tr>
<td>Q4 20</td>
<td>+87</td>
<td>13%</td>
</tr>
</tbody>
</table>

Fixed BB net adds (in ‘000s)

+49  +37  +61  +95  +105
Q4 19  Q1 20  Q2 20  Q3 20  Q4 20
-190  -155 -177 -265 -283
Q4 19  Q1 20  Q2 20  Q3 20  Q4 20

54% of broadband B2C Customers are on Open convergent offers

#1 mobile network for the 10th consecutive year (ARCEP)

4G 99% of 4G population coverage

87% of B2C voice contract customers have a 4G plan (+3pts yoy)

+1.0% Number of mobile lines per convergent offer (Q4 yoy growth)

New FTTH net adds record in Q4 reaching 4.5m FTTH customers (+35.3 %yoy)

22.9m of FTTH connectable homes (+40.6% yoy)

52% of FTTH adds* are new customers

+1.0pt Growth of B2C broadband convergent customer premium** mix, yoy

* gross adds + migration  ** Livebox Up, former Play and Jet
Q4 2020 Europe
Strong commercial trends despite Covid-19

in €m

<table>
<thead>
<tr>
<th></th>
<th>Q4 20 yoy cb</th>
<th>FY 20 yoy cb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>2,715 -4.3%</td>
<td>10,580 -3.5%</td>
</tr>
<tr>
<td>Retail services</td>
<td>1,781 -4.2%</td>
<td>7,147 -3.0%</td>
</tr>
<tr>
<td>Convergent services</td>
<td>667 -3.4%</td>
<td>2,717 +0.5%</td>
</tr>
<tr>
<td>Mobile only services</td>
<td>747 -7.4%</td>
<td>3,038 -7.5%</td>
</tr>
<tr>
<td>Fixed only services</td>
<td>267 -4.1%</td>
<td>1,083 -4.1%</td>
</tr>
<tr>
<td>IT &amp; integration services</td>
<td>101 +21.3%</td>
<td>310 +22.7%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>492 -1.6%</td>
<td>1,924 -0.9%</td>
</tr>
<tr>
<td>Equipment sales</td>
<td>409 -6.2%</td>
<td>1,375 -7.6%</td>
</tr>
<tr>
<td>Other revenues</td>
<td>33 -24.6%</td>
<td>134 -21.5%</td>
</tr>
<tr>
<td>EBITDAaL</td>
<td>2,932 -5.8%</td>
<td></td>
</tr>
<tr>
<td>EBITDAaL margin</td>
<td>27.7% -0.7pt</td>
<td></td>
</tr>
<tr>
<td>eCAPEX</td>
<td>1,847 +10.7%</td>
<td></td>
</tr>
<tr>
<td>eCAPEX/revenues</td>
<td>17.5% 2.2pt</td>
<td></td>
</tr>
</tbody>
</table>

Europe, mobile contract net adds ex-M2M (in '000s)

Europe, Fixed Broadband net adds

FY EBITDAaL growth (cb yoy in %)

Revenue evolution (in €m)
**Q4 2020 Spain**

Confirmation of commercial turnaround, first step to improve EBITDAaL trend, our priority

<table>
<thead>
<tr>
<th>in €m</th>
<th>Q4 20</th>
<th>yoy cb</th>
<th>FY 20</th>
<th>yoy cb</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Retail services</td>
<td>837</td>
<td>-10.8%</td>
<td>3,476</td>
<td>-7.6%</td>
</tr>
<tr>
<td>Convergent services*</td>
<td>477</td>
<td>-9.2%</td>
<td>1,984</td>
<td>-5.1%</td>
</tr>
<tr>
<td>Mobile only services</td>
<td>242</td>
<td>-14.7%</td>
<td>1,012</td>
<td>-12.9%</td>
</tr>
<tr>
<td>Fixed only services</td>
<td>115</td>
<td>-8.9%</td>
<td>471</td>
<td>-5.9%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>236</td>
<td>-2.1%</td>
<td>916</td>
<td>+1.7%</td>
</tr>
<tr>
<td>Equipment sales</td>
<td>139</td>
<td>-7.2%</td>
<td>547</td>
<td>-9.2%</td>
</tr>
<tr>
<td>Other revenues</td>
<td>0</td>
<td>+79.3%</td>
<td>12</td>
<td>+0.0%</td>
</tr>
<tr>
<td><strong>EBITDAaL</strong></td>
<td>1,433</td>
<td>-13.0%</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EBITDAaL</strong> margin</td>
<td>28.9%</td>
<td>-2.3pt</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>eCAPEX</strong></td>
<td>969</td>
<td>+19.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>eCAPEX/revenues</td>
<td>19.6%</td>
<td>4.1pt</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Convergence as % of broadband B2C customer base +2pt yoy

**83%** Fiber penetration in BB customer base +4pt yoy

**67%** 4G penetration in mobile customer base -1pt yoy

**18%** TV penetration in BB customer base +0pt yoy

---

**Acceleration of commercial momentum**

<table>
<thead>
<tr>
<th>FBB nets adds '000</th>
<th>Mobile contract excl. M2M nets adds '000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q4 19</td>
<td>Q1 20</td>
</tr>
<tr>
<td>26</td>
<td>41</td>
</tr>
</tbody>
</table>

**Main action plans to improve EBITDAaL trend**

- Consolidate commercial performance
- Accelerate B2B activity
- Focus on customer experience
- Simplification
- Strengthen customer relationship digitisation
- Further costs optimization
Q4 2020 Africa & Middle East

Outstanding performance

Revenue in €m

<table>
<thead>
<tr>
<th></th>
<th>Q4 20</th>
<th>yoy cb</th>
<th>FY 20</th>
<th>yoy cb</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>1,515</td>
<td>+8.3%</td>
<td>5,834</td>
<td>+5.2%</td>
</tr>
<tr>
<td>Retail services</td>
<td>1,301</td>
<td>+10.5%</td>
<td>5,007</td>
<td>+7.8%</td>
</tr>
<tr>
<td>Mobile only services</td>
<td>1,140</td>
<td>+8.5%</td>
<td>4,420</td>
<td>+6.7%</td>
</tr>
<tr>
<td>Fixed only services</td>
<td>152</td>
<td>+23.7%</td>
<td>562</td>
<td>+15.5%</td>
</tr>
<tr>
<td>IT &amp; integration services</td>
<td>9</td>
<td>+123.0%</td>
<td>25</td>
<td>+75.4%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>177</td>
<td>-1.5%</td>
<td>695</td>
<td>-9.0%</td>
</tr>
<tr>
<td>Equipment sales</td>
<td>27</td>
<td>-3.8%</td>
<td>89</td>
<td>-6.8%</td>
</tr>
<tr>
<td>Other revenues</td>
<td>10</td>
<td>-29.4%</td>
<td>43</td>
<td>+6.0%</td>
</tr>
</tbody>
</table>

**EBITDAaL**

<table>
<thead>
<tr>
<th></th>
<th>FY 20</th>
<th>+10.0%</th>
</tr>
</thead>
</table>

**EBITDAaL margin**

<table>
<thead>
<tr>
<th></th>
<th>FY 20</th>
<th>+6.0%</th>
</tr>
</thead>
</table>

**eCAPEX/revenues**

<table>
<thead>
<tr>
<th></th>
<th>FY 20</th>
<th>17.8%</th>
</tr>
</thead>
</table>

> 80% of revenue comes from sustainably resilient retail services

Revenue cb yoy growth in %

<table>
<thead>
<tr>
<th></th>
<th>Q4 18</th>
<th>Q1 19</th>
<th>Q2 19</th>
<th>Q3 19</th>
<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail services</td>
<td>7.2%</td>
<td>7.8%</td>
<td>7.9%</td>
<td>8.5%</td>
<td>9.0%</td>
<td>10.5%</td>
<td>8.3%</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total MEA</td>
<td>6.5%</td>
<td>6.3%</td>
<td>7.2%</td>
<td>7.6%</td>
<td>6.1%</td>
<td>6.2%</td>
<td>4.7%</td>
<td>5.1%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

**Orange Money**

€507m FY 20 revenues, with 21.9m active customers* (+20% yoy)
(revenues in million EUR, yoy growth in %)

**EBITDAaL increase by +18% since 2018**

33.0 m
4G customers
+39% yoy

1.7m
FBB customers
+36% yoy

+23% Data revenue growth Q4 20

* At least one transaction per month
Q4 2020 Enterprise
Strong recovery in IT&IS revenues thanks to Cloud and Cybersecurity

<table>
<thead>
<tr>
<th>in €m</th>
<th>Q4 20</th>
<th>yoy cb</th>
<th>FY 20</th>
<th>yoy cb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>2,050</td>
<td>-1.2%</td>
<td>7,807</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Fixed only services</td>
<td>942</td>
<td>-5.2%</td>
<td>3,851</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Voice</td>
<td>302</td>
<td>-6.0%</td>
<td>1,237</td>
<td>-3.8%</td>
</tr>
<tr>
<td>Data</td>
<td>639</td>
<td>-4.8%</td>
<td>2,614</td>
<td>-1.9%</td>
</tr>
<tr>
<td>IT &amp; integration services</td>
<td>877</td>
<td>+5.6%</td>
<td>3,086</td>
<td>+2.3%</td>
</tr>
<tr>
<td>Mobile*</td>
<td>231</td>
<td>-7.9%</td>
<td>870</td>
<td>-8.3%</td>
</tr>
<tr>
<td>EBITDAaL</td>
<td>1,023</td>
<td>-14.9%</td>
<td>339</td>
<td>-16.0%</td>
</tr>
<tr>
<td>EBITDAaL margin</td>
<td>13.1%</td>
<td>-2.1pt</td>
<td></td>
<td></td>
</tr>
<tr>
<td>eCAPEX/revenues</td>
<td>4.3%</td>
<td>-16.0%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Mobile = Mobile Only Services + Equipment Sales

IT&IS share in total revenues: 39.5%
(vs. 37.2%* in FY19 – historical data)

+9% yoy**
A European leader with €768m revenues FY20

+6% yoy**

**FY20 revenue growth

Revenue evolution

FY 20 EBITDAaL evolution

Increasing NPS

Large Accounts France
International Business

Cloud
Cybersecurity

Change in business mix
~2/3 Covid impact

~2/3 Covid impact

+5 vs 2H19
+8 vs 2H19

23
50
Section Four

Scale Up, the €1bn net cost savings program by 2023
Scale Up program, €1bn net savings out of €13.8bn indirect costs

<table>
<thead>
<tr>
<th>Direct Costs</th>
<th>Indirect Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>€11.6 bn</td>
<td>€17.8 bn</td>
</tr>
<tr>
<td>Interconnection &amp; connectivity</td>
<td>2.5</td>
</tr>
<tr>
<td>Equipments</td>
<td>1.3</td>
</tr>
<tr>
<td>Commissions</td>
<td></td>
</tr>
<tr>
<td>Contents</td>
<td>13.8</td>
</tr>
</tbody>
</table>

By nature

- Labour: 50%
- IT & Network: 16%
- Real Estate: 11%
- G&A: 8%
- CRM: 3%
- A&P: 9%
- Taxes & others: 5%

By Segment

- Enterprise: 22%
- Europe: 21%
- France + ICSS: 57%
- French territory: 22%

Direct Costs

- A&ME
- Mobile Financial Services

Indirect Costs

- Enterprises IT&IS (Labour costs and other IT&N costs)
- Scale-up cost base
Several levers identified with dedicated task force

Savings ambitions by nature* (€1 bn) by 2023

Labour / G&A  
Real Estate  
IT & Network  
CRM  
Ad. & Promo.  
Taxes & others

Levers

Enhance natural attrition

New optimisation opportunities

Automation, mutualisation & Energy efficiency

Constant increase in digital channels, portfolio rationalisation

Rationalisation

Automatize processes and enhance control

Net Savings  
€1 bn

* The savings per nature are within an estimated range
Focus on selected major initiatives, 2023 savings targets vs. 2019

~€500m
net savings vs. 2019

People Transformation

Starting negotiations with employee representatives to accelerate natural departure, reinforcing balance between corporate & local functions and tasks

Discipline on salary policy

~€100m
net savings vs. 2019

Real Estate

New behaviours reinforced by sanitary crisis & CSR policy

Improving space management, leveraging post-COVID new ways of working

• Lease renegotiations
• More frugality on each real estate project
• Optimisation of shops location and space
• Acceleration in disposal of sub-optimised space/buildings

~€60-80m
net savings vs. 2019

Automation (RPA, data, IA)

2000+ robotised processes o/w 700 new in 2020
12 countries already in action
5 International skill centers (training, delivery, infrastructure) to support entities
Cost decrease acceleration to reach 1bn€ net reduction target by 2023

Savings ambitions per year in €m

13.8 bn€

-100

-200/-250

-300/-350

-300/-400

12.8 bn€

Scale-up cost base in 2023
Section Five
Guidance
Organic Cash Flow & tax refund inflow

In €bn

- Organic Cash Flow 2019: 2.3
- Organic Cash Flow 2020: 2.5
- OCF + tax refund 2020: 4.7
- Organic Cash Flow 2021 before tax refund: >2.6
Balanced tax allocation to create value mid-long term

**2021 & 2022 allocation of the tax refund cash**

- **28 cts Dividend**
- **-0.5**
- **CSR projects**
- **<0.1**
- **-0.1**
- **Employee share plan**
- **-0.5**
- **-0.6**
- **Purchase of Orange Belgium shares**
- **-0.4**
- **eCAPEX**
- **€2.2bn**

**Benefits/Value Creation**

- **Highly accretive value investments with IRR between 15% and 20%:**
  - 3rd party co-financing in France
  - Investments in network in MEA

- **Reduce dividend leakage**

- **Accelerate transformation**

- **Increase employee participation on shareholding**

- **Towards a more sustainable, inclusive, responsible and value accretive business**

---

No impact on Organic CF neither on EBITDAaL
Impact on Organic CF, mostly in 2021
Impact on Organic CF, mostly in 2022
Impact on EBITDAaL, all in 2021
Impact on EBITDAaL and Organic CF, in 2021 and 2022
## Guidance 2021

<table>
<thead>
<tr>
<th></th>
<th>2020 Achieved</th>
<th>2021e before tax refund allocation</th>
<th>Tax refund allocation impact in 2021</th>
<th>2021e</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDAaL, yoy</td>
<td>-1%</td>
<td>Around +1%</td>
<td>Decrease between €0.1bn and €0.2bn, subject to employee share plan take-up and CSR</td>
<td>Flat</td>
</tr>
<tr>
<td>eCAPEX yoy</td>
<td>1~ 7.1 bn€</td>
<td>2 ~ €7.3 bn</td>
<td>3 ~ €0.3bn</td>
<td>€ 7.6 -7.7bn</td>
</tr>
<tr>
<td>Organic Cash Flow (telecom)*</td>
<td>€2.5bn vs. &gt;€2.3bn</td>
<td>+ €2.2bn*</td>
<td>&gt; €2.6bn</td>
<td>&gt; €2.2bn</td>
</tr>
<tr>
<td>Net debt / EBITDAaL (telecom)</td>
<td>1.83x o/w 0.17x decrease*</td>
<td>Around 2x in the medium term</td>
<td>No impact on guidance</td>
<td>Around 2x in the medium term</td>
</tr>
<tr>
<td>Dividend**</td>
<td>€0.70</td>
<td>+ Additional €0.2**</td>
<td>€0.70</td>
<td>€0.70</td>
</tr>
</tbody>
</table>

- Linked to the tax refund.
** 20 cts dividend paid in 2021, fiscal year 2020

**1 + 2 + 3** ~14.7 - 14.8 €bn including tax refund associated investments
Reiterated 2023 Organic Cash Flow guidance

Step-up of Organic Cash flow from end of 2020 to 2023 (in €bn)

- Organic Cash Flow 2019: 2.3
- Organic Cash Flow 2020: 2.5
- EBITDAaL growth (including net savings program) *: 3.5 to 4.0
- eCapex decrease *: 2.3
- Organic Cash Flow 2023: 3.5 to 4.0

* Bars size is not to scale
Non-exhaustive list of cash items

Weight increase of Organic CF on Executive Team remuneration scheme
Section Six

FY20 Q&A
Section Seven

European Towerco
Creating a leading European mobile passive infrastructure platform

Key objectives

- Run Orange’s first class mobile passive infrastructure as an industrial growth engine
- Get ready to take part in the European tower market consolidation

Timeline

- Oct. 2020 Q3-20 results
- Feb. 2021 2020 results
- H1-2021 Management team appointment
- H2-2021 Completion of carve-out in France and Spain Review including other Orange European tower assets

- Dedicated project organisation at group level
- Presentation of TowerCo design and economics
- Completion of carve-out in France and Spain Review including other Orange European tower assets
## TowerCo key metrics

### 2020 metrics

<table>
<thead>
<tr>
<th></th>
<th>France</th>
<th>Spain</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td># of macro sites ('000s)</td>
<td>17.6</td>
<td>7.9</td>
<td>25.5</td>
</tr>
<tr>
<td>Tenancy ratio ¹</td>
<td>1.18x</td>
<td>1.59x</td>
<td>1.31x</td>
</tr>
<tr>
<td>Ground-based towers / rooftops (%)</td>
<td>~55% / 45%</td>
<td>~52% / 48%</td>
<td></td>
</tr>
<tr>
<td>Land owned</td>
<td></td>
<td></td>
<td>2 000+</td>
</tr>
</tbody>
</table>

### Forward metrics

- **Tenancy ratio ¹**: From 1.3x in 2020 to 1.5x by 2026
- **New sites**: Up to 3 000 new macro sites to be built over the next 8 years
- **Escalation**: Inflation-linked, No cap, 0% floor

### Pro forma financial metrics (²)

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>493</td>
<td>510</td>
</tr>
<tr>
<td><strong>EBITDA (IFRS 16)</strong></td>
<td>422</td>
<td>444</td>
</tr>
<tr>
<td>% Margin</td>
<td>85.7%</td>
<td>87.0%</td>
</tr>
<tr>
<td><strong>EBITDAaL ³</strong></td>
<td>276</td>
<td>292</td>
</tr>
<tr>
<td>% Margin</td>
<td>56.0%</td>
<td>57.2%</td>
</tr>
</tbody>
</table>

---

¹ Tenancy ratio defined as total number of active tenants divided by total number of sites. 
² Ran sharing accounts for multiple tenants. 
₃ Relates to hosting revenue excluding works & studies.
TowerCo’s scope, structure and governance underpin its full autonomy and independence

**TowerCo Governance**

- Management fully independent from Orange MNOs
- No board members from Orange MNOs
- 2 independent board members

**Simplified legal structure**

- Orange SA
  - Orange France
  - TowerCo France
  - TowerCo Spain
  - Orange Spain
  - Maintenance Contract
  - Commercial Relationship

**Fully self-standing entity**

- All core assets and functions transferred
  - Sites, land, leases and third-party tenancy contracts
  - Full in-house capabilities to run operations for anchor and third-party tenants such as new sites (BTS, turn key) or tenants maintenance
  - Stable organisation with c. 200 FTEs in steady state structure

- Ability to leverage Orange capabilities under arm’s length and non-exclusive terms
  - Sites commissioning, construction works and maintenance
  - Non-core services

- Best-in-class MSA providing long-term cash flow visibility for TowerCo to drive value creation
Best-in-class MSA providing long-term cash flow visibility for TowerCo to drive value creation while preserving Orange’s retail leadership

### MSA Key Terms

<table>
<thead>
<tr>
<th>Category</th>
<th>Details</th>
</tr>
</thead>
</table>
| **Contract Structure** | - MSA type agreement  
                        | - One MSA per country with a common template                             |
| **Term**          | - 15-year initial term  
                        | - 2x10-year automatic renewal                                            |
| **Renewal**       | - All-or-nothing renewal clause                                         |
| **Anchor Fee**    | - Anchor fees aligned with local market benchmarks                      |
| **Escalation**    | - Inflation-linked with no cap and 0% floor                              |
| **Preferred Supplier** | - Right of first offer on all new sites to be built by Orange           |
| **Network Sharing** | - Protective RAN-sharing provisions                                     |
| **Strategic Sites** | - Limited number of strategic sites (< 5% of total scope)               |
A clear path to long-term value creation

**Organic growth potential**

- **Revenue**
  - Tenancy ratio increase from 1.3x to 1.5x by 2026
  - Up to 3,000 new macro sites to be built over the next 8 years
  - New digital services to be developed

- **Inorganic growth potential**
  - Potential for Orange to contribute additional sites in other European markets
  - Disciplined, returns-driven M&A

- **Capital structure flexibility**
  - Intention to use full scope of capital structure flexibility to support organic and inorganic growth investments
  - Orange to retain control

**Costs**

- Lease costs renegotiation and optimisation
Section Eight

European Towerco Q&A
Annexes
Convergence, the bedrock of our strategy

€1.8bn Convergent services revenues in Q4 2020

-1.0% yoy

Convergent B2C customer base in million

% of broadband B2C customer base

France* Spain Poland

<table>
<thead>
<tr>
<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.80</td>
<td>5.80</td>
<td>5.80</td>
<td>5.82</td>
<td>5.84</td>
</tr>
<tr>
<td>55%</td>
<td>55%</td>
<td>55%</td>
<td>54%</td>
<td>54%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.00</td>
<td>2.99</td>
<td>2.95</td>
<td>2.96</td>
<td>3.00</td>
</tr>
<tr>
<td>83%</td>
<td>83%</td>
<td>85%</td>
<td>85%</td>
<td>85%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Q4 19</th>
<th>Q1 20</th>
<th>Q2 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.37</td>
<td>1.39</td>
<td>1.41</td>
<td>1.44</td>
<td>1.48</td>
</tr>
<tr>
<td>62%</td>
<td>62%</td>
<td>65%</td>
<td>65%</td>
<td>65%</td>
</tr>
</tbody>
</table>

Churn improvement with convergence in Q4**

-4pt -4pt -1pt

Quarterly convergent ARPO, in €/month in Q4

<table>
<thead>
<tr>
<th>France*</th>
<th>Spain</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>€69.0</td>
<td>€54.6</td>
<td>€23.8</td>
</tr>
<tr>
<td>-1.2% yoy, cb</td>
<td>-7.6% yoy</td>
<td>+4.2% yoy***</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>France*</th>
<th>Spain</th>
<th>Poland</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.68</td>
<td>2.00</td>
<td>1.88</td>
</tr>
<tr>
<td>+0.4% yoy</td>
<td>+2.4% yoy</td>
<td>-0.6% yoy</td>
</tr>
</tbody>
</table>

* Open customers only
** Churn differential between convergent B2C customers and total fixed BB B2C customers
*** YoY evolution calculated in local currency
COVID-19 crisis and cofinancing drove lower eCAPEX, despite acceleration in FTTH rollout.

Telecom FY 2020 eCAPEX:

€7.1bn

- 1.8% yoy
- €127m yoy

VHBB > 100 Mbps connectable lines:

48.3m

VHBB** connectable lines:

FTTH connectable lines in France:

+41%
16.3m FY 19
22.9m FY 20

VHBB connectable lines in Spain:

+3%
14.9m FY 19
15.3m FY 20

FTTH connectable lines in Poland:

+19%
4.2m FY 19
5.0m FY 20

**VHBB > 100 Mbps
## Change in net income

<table>
<thead>
<tr>
<th>(in millions of euros)</th>
<th>FY 2019 historical</th>
<th>FY 2019 cb</th>
<th>FY 2020 actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDAaL</td>
<td>12,856</td>
<td>12,812</td>
<td>12,680</td>
</tr>
<tr>
<td>Adjustments*</td>
<td>15</td>
<td>41</td>
<td>(115)</td>
</tr>
<tr>
<td>Depreciation &amp; amortization of fixed assets</td>
<td>(7,110)</td>
<td>(7,134)</td>
<td></td>
</tr>
<tr>
<td>Impairment of goodwill &amp; fixed assets</td>
<td>19</td>
<td></td>
<td>(30)</td>
</tr>
<tr>
<td>Share of profit (losses) of associates and JV</td>
<td>8</td>
<td></td>
<td>(2)</td>
</tr>
<tr>
<td>Other income / (charge)</td>
<td>141</td>
<td>122</td>
<td></td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>5,930</td>
<td>5,521</td>
<td></td>
</tr>
<tr>
<td>Effects resulting from BT stake</td>
<td>(119)</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td>Financial result (excluding BT)</td>
<td>(1,142)</td>
<td>(1,314)</td>
<td></td>
</tr>
<tr>
<td>Tax</td>
<td>(1,447)</td>
<td></td>
<td>848</td>
</tr>
<tr>
<td><strong>Net income from continuing activities</strong></td>
<td>3,222</td>
<td>5,055</td>
<td></td>
</tr>
<tr>
<td><strong>Net income from discontinued activities</strong></td>
<td>-</td>
<td></td>
<td>-</td>
</tr>
<tr>
<td><strong>Net income from consolidated Group</strong></td>
<td>3,222</td>
<td>5,055</td>
<td></td>
</tr>
<tr>
<td>Minority interests</td>
<td>218</td>
<td>233</td>
<td></td>
</tr>
<tr>
<td><strong>Net income Group share</strong></td>
<td>3,004</td>
<td></td>
<td>4,822</td>
</tr>
</tbody>
</table>

*See details on slide 43
## Adjustments

<table>
<thead>
<tr>
<th>(in millions of euros)</th>
<th>FY 19 historical</th>
<th>FY 19 cb</th>
<th>FY 20 Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of restructuring programs</td>
<td>(165)</td>
<td>(163)</td>
<td>(83)</td>
</tr>
<tr>
<td>Cost of acquisitions and integration</td>
<td>(24)</td>
<td>(24)</td>
<td>(37)</td>
</tr>
<tr>
<td>Significant litigations</td>
<td>(49)</td>
<td>(49)</td>
<td>(211)</td>
</tr>
<tr>
<td>Specific labour expenses</td>
<td>(23)</td>
<td>(23)</td>
<td>(12)</td>
</tr>
<tr>
<td>&quot;\w Senior Part Time&quot;</td>
<td>(25)</td>
<td>(25)</td>
<td>(13)</td>
</tr>
<tr>
<td>Portfolio review and others</td>
<td>277</td>
<td>301</td>
<td>228</td>
</tr>
</tbody>
</table>
## Change in net debt

<table>
<thead>
<tr>
<th>Description</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EBITDAaL - eCAPEX (telecom activities)</strong></td>
<td>5,750*</td>
<td>5,736</td>
</tr>
<tr>
<td>Change in working capital requirements</td>
<td>(204)</td>
<td>(500)</td>
</tr>
<tr>
<td>Change in eCAPEX payables</td>
<td>45</td>
<td>307</td>
</tr>
<tr>
<td>Net interest paid (including dividends received)**</td>
<td>(1,196)</td>
<td>(1,127)</td>
</tr>
<tr>
<td>Income taxes paid</td>
<td>(1,079)</td>
<td>(1,085)</td>
</tr>
<tr>
<td>Other operational items**</td>
<td>(971)*</td>
<td>(837)</td>
</tr>
<tr>
<td><strong>Organic Cash Flow (telecom activities)</strong></td>
<td>2,345</td>
<td>2,494</td>
</tr>
<tr>
<td>Main litigations paid/received****</td>
<td>5</td>
<td>2,217</td>
</tr>
<tr>
<td>Licences and spectrum paid</td>
<td>(334)</td>
<td>(351)</td>
</tr>
<tr>
<td>Dividends paid to owners of parent company</td>
<td>(1,857)</td>
<td>(1,595)</td>
</tr>
<tr>
<td>Dividends paid to non-controlling interests</td>
<td>(243)</td>
<td>(225)</td>
</tr>
<tr>
<td>Coupons and other fees on subordinated notes</td>
<td>(357)</td>
<td>(292)</td>
</tr>
<tr>
<td>Net of acquisitions and disposals</td>
<td>(77)</td>
<td>(89)</td>
</tr>
<tr>
<td>Exclusion of IFRS 16 leases from the net financial debt definition</td>
<td>584</td>
<td></td>
</tr>
<tr>
<td><strong>Change in net debt</strong></td>
<td>(25)</td>
<td>1,976</td>
</tr>
<tr>
<td><strong>Net financial debt</strong></td>
<td>(25,466)</td>
<td>(23,489)</td>
</tr>
<tr>
<td><strong>Ratio of net financial debt / EBITDAaL of telecom activities</strong></td>
<td>1.96x</td>
<td>1.83x</td>
</tr>
</tbody>
</table>

* 2019 data have been restated in compliance with the IFRS IC decision related to the enforceable duration of IFRS 16 lease contracts
**Excluding interest disbursed on lease liabilities and on debts related to financed assets of €(132)m in 2020 and €(104)m in 2019
***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 on debts related to financed assets, and (iii) elimination of non-monetary effects included in EBITDAaL
**** Of which tax refund of €2.2bn