Orange financial results

#Q3_2021

26 October 2021

Ramon Fernandez
Deputy CEO, Finance, Performance and Development
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.
Section One
Q3 2021 highlights
Q3 21 key highlights

**MEA**

12% revenue growth

Fostering digital inclusion with 2 new Orange Digital Centers (total 8)

Retail services excl. PSTN keeps accelerating at +3.7%

672 municipalities covered with 5G

**France**

Q3 +5.7% yoy retail services revenue

TKR acquisition in Romania & OPL fiberco completed

**Spain**

51% pop. coverage with 5G

From 5 to 3 brands

**Enterprise**

OCD obtains the highly demanding Safety Visa from the French IS security agency

OBS & Siemens partner to develop IT-OT convergence of Industry 4.0

100% ownership of Orange Bank to accelerate growth 1.6m customers

Orange Bank Africa: 0.6m cust.

**Other Europe**

12% revenue growth

Fostering digital inclusion with 2 new Orange Digital Centers (total 8)

Retail services excl. PSTN keeps accelerating at +3.7%

672 municipalities covered with 5G

Q3 +5.7% yoy retail services revenue

TKR acquisition in Romania & OPL fiberco completed

**MFS**

100% ownership of Orange Bank to accelerate growth 1.6m customers

Orange Bank Africa: 0.6m cust.
Moving forward with our infrastructure projects

Totem
- European mobile passive infrastructure (France and Spain)
  - Carve-out completion in Q4 2021

Orange Concessions
- Leading fiber platform in French rural areas
  - Closing in Q4 2021

Poland fiberCo
- 50/50 joint venture on 2.4m FTTH lines by 2025
  - Completed

All projects on track
Q3 21 financial achievements

Revenue
€10.5bn
-0.4%
yoy in Q3

EBITDAaL
€3.6bn
-0.7%
yoy in Q3

eCapex
€1.7bn
-1.0%
yoy in Q3

+1.3%
excluding co-financing in France

+4.5%

In line with FY 21 guidance

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”
Q3 2021 France

Retail services keep accelerating

<table>
<thead>
<tr>
<th>in €m</th>
<th>Q3 21</th>
<th>yoy cb</th>
<th>9M 21</th>
<th>yoy cb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>4,483</td>
<td>-4.1%</td>
<td>13,433</td>
<td>-1.7%</td>
</tr>
<tr>
<td>Retail services</td>
<td>2,723</td>
<td>+1.2%</td>
<td>8,106</td>
<td>+0.5%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>1,291</td>
<td>-15.4%</td>
<td>4,011</td>
<td>-8.1%</td>
</tr>
<tr>
<td>Equipment sales</td>
<td>300</td>
<td>-0.4%</td>
<td>823</td>
<td>+8.4%</td>
</tr>
<tr>
<td>Other revenues</td>
<td>169</td>
<td>+7.3%</td>
<td>494</td>
<td>+3.6%</td>
</tr>
</tbody>
</table>

Nearly stabilization of revenues excl. cofi. at -0.4% yoy in Q3 thanks to retail services revenues growth acceleration

5.6m FTTH customers +36% yoy

FTTH adds* are new customers

57%

+360

+343

-265

FTTH net adds in ‘000

75%

FBB net adds in ‘000

69.8€ Convergent ARPO +1.6% yoy

Convergent services revenues accelerating QoQ

1.5%

2.9%

3.8%

Q1 21

Q2 21

Q3 21

+0.3€ Mobile ARPO +2.0% yoy

**excluding DCO until Q1 21

139

129

121

Quarterly mobile churn rate

13%

11%

Q3 21 Results

Nearly stabilization of revenues excl. cofi. at -0.4% yoy in Q3 thanks to retail services revenues growth acceleration

Mobile contract net adds excl M2M in ‘000

FTTH customers

FTTH net adds in ‘000

ADSL and others BB net adds in ‘000

Mobile contract net adds excl M2M in ‘000

Quarterly mobile churn rate
Solid commercial performance in Europe. Other European Countries revenues growing +2% yoy o/w retail services +5.7% yoy

### Q3 2021 Europe

<table>
<thead>
<tr>
<th></th>
<th>Q3 21</th>
<th>yoy cb</th>
<th>9M 21</th>
<th>yoy cb</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>2,583</td>
<td>-1.1%</td>
<td>7,747</td>
<td>-0.6%</td>
</tr>
<tr>
<td>Retail services</td>
<td>1,741</td>
<td>-1.0%</td>
<td>5,192</td>
<td>-2.5%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>452</td>
<td>-5.0%</td>
<td>1,378</td>
<td>-3.0%</td>
</tr>
<tr>
<td>Equipment sales</td>
<td>347</td>
<td>0.2%</td>
<td>1,065</td>
<td>+12.7%</td>
</tr>
<tr>
<td>Other revenues</td>
<td>42</td>
<td>+42.3%</td>
<td>112</td>
<td>+13.3%</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>Q1 21</th>
<th>Q2 21</th>
<th>Q3 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>% convergence in base</td>
<td>32%</td>
<td>34%</td>
<td>34%</td>
<td>34%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>+221</td>
<td>+317</td>
<td>+64</td>
<td>+90</td>
<td>+188</td>
</tr>
</tbody>
</table>

### Fixed Broadband net adds (in ‘000s)

<table>
<thead>
<tr>
<th></th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>Q1 21</th>
<th>Q2 21</th>
<th>Q3 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>% convergence in base</td>
<td>67%</td>
<td>68%</td>
<td>68%</td>
<td>68%</td>
<td></td>
</tr>
<tr>
<td>FTTH</td>
<td>+96</td>
<td>+142</td>
<td>+62</td>
<td>+40</td>
<td>+122</td>
</tr>
<tr>
<td>Others (xDSL, Cable, Fixed LTE)</td>
<td>+139</td>
<td>+175</td>
<td>+126</td>
<td>+98</td>
<td>+122</td>
</tr>
<tr>
<td></td>
<td>-43</td>
<td>-28</td>
<td>-64</td>
<td>-58</td>
<td>-56</td>
</tr>
</tbody>
</table>

### Q3 Revenue evolution (in €m)

- **Europe**
  - Romania, Slovakia, Moldova: 2,610
  - Belgium, Luxembourg: -54
  - Spain: +20
  - Poland: 11
  - Other European Countries: +2.0% growth

- **Q3 2021 Revenue**
  - 2,583
Q3 2021 Spain

Good commercial performance while pursuing operational transformation

<table>
<thead>
<tr>
<th></th>
<th>Q3 21</th>
<th>yoy cb</th>
<th>9M 21</th>
<th>yoy cb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>1,176</td>
<td>-4.4%</td>
<td>3,544</td>
<td>-4.9%</td>
</tr>
<tr>
<td>Retail services</td>
<td>792</td>
<td>-7.9%</td>
<td>2,407</td>
<td>-8.8%</td>
</tr>
<tr>
<td>Wholesale</td>
<td>228</td>
<td>-1.4%</td>
<td>671</td>
<td>-1.4%</td>
</tr>
<tr>
<td>Equipment sales</td>
<td>156</td>
<td>+11.9%</td>
<td>466</td>
<td>+18.1%</td>
</tr>
<tr>
<td>Other revenues</td>
<td>0</td>
<td>+140.8%</td>
<td>1</td>
<td>-92.1%</td>
</tr>
</tbody>
</table>

Convergence net adds  
 Up 8k

Mobile contract net adds*  
 Up 76k

ftth

FBB net adds  
 Up 10k

FBB net adds  
 Up 43k

Customer base stabilising since Q3 20 driven by churn improvement

Simplification of brands ongoing

amen is joining Orange

Launch of 10Gbps fiber speed in the 5 largest cities

Convergence

Q3 20 2,962  +2.2% (+65)

Q3 21 3,027

FBB and fiber penetration

Q3 20 FTTH 3,992 82%

ADSL & others

Q3 21 FTTH 4,034 86%

Mobile contract*

Q3 20 11,249  +2.0% (+220)

Q3 21 11,469

* excl. M2M
Q3 2021 Africa & Middle East
Double digit growth

<table>
<thead>
<tr>
<th></th>
<th>in €m</th>
<th>Q3 21</th>
<th>yoy cb</th>
<th>9M 21</th>
<th>yoy cb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>1,652</td>
<td>+12.0%</td>
<td>4,694</td>
<td>+11.2%</td>
<td></td>
</tr>
<tr>
<td>Retail services</td>
<td>1,450</td>
<td>+15.0%</td>
<td>4,110</td>
<td>+13.6%</td>
<td></td>
</tr>
<tr>
<td>Wholesale</td>
<td>166</td>
<td>-6.3%</td>
<td>476</td>
<td>-5.9%</td>
<td></td>
</tr>
<tr>
<td>Equipment sales</td>
<td>26</td>
<td>13.2%</td>
<td>81</td>
<td>+23.2%</td>
<td></td>
</tr>
<tr>
<td>Other revenues</td>
<td>9</td>
<td>-32.5%</td>
<td>28</td>
<td>-13.3%</td>
<td></td>
</tr>
</tbody>
</table>

Strong retail services growth

Revenue cb yoy growth in %

- Q3 21: 15.0%
- Q3 20: 7.1%
- Q2 20: 5.1%
- Q1 21: 7.6%
- Q4 20: 10.2%

#1 engine of revenues growth for the Group

All our footprint growing

10 over 16 operations
2 digit revenues growth

134m mobile customers
41.2m 4G customers
22.6m OM active customers
1.95m FBB customers

+6.3% yoy
+33.6% yoy
+12.5% yoy
+23.4% yoy

*Under the equity method*
Q3 2021 Enterprise

Revenues down due to voice decline

<table>
<thead>
<tr>
<th>in €m</th>
<th>Q3 21</th>
<th>yoy cb</th>
<th>9M 21</th>
<th>yoy cb</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>1,864</td>
<td>-1.4%</td>
<td>5,704</td>
<td>+0.4%</td>
</tr>
<tr>
<td>Fixed only services</td>
<td>899</td>
<td>-5.2%</td>
<td>2,733</td>
<td>-4.7%</td>
</tr>
<tr>
<td>IT &amp; integration services</td>
<td>745</td>
<td>+2.1%</td>
<td>2,311</td>
<td>+6.4%</td>
</tr>
<tr>
<td>Mobile</td>
<td>220</td>
<td>+3.5%</td>
<td>660</td>
<td>+3.5%</td>
</tr>
</tbody>
</table>

Revenue evolution

Growth engines

- Cybersecurity: +14% yoy in 9M
- Cloud: > +8% yoy in 9M
- Digital & Data: > +8% yoy in 9M

IT&IS share in total revenues

- 9M 20 cb: 38.2%
- 9M 21: 40.5%

+2.3 pts
Section Three
Guidance
## Guidance 2021 confirmed

<table>
<thead>
<tr>
<th></th>
<th>2021e before tax refund allocation</th>
<th>2021e After tax refund allocation</th>
</tr>
</thead>
<tbody>
<tr>
<td>EBITDAaL, yoy</td>
<td>Around +1%</td>
<td>Flat -</td>
</tr>
<tr>
<td>eCAPEX</td>
<td>~ €7.3bn</td>
<td>€7.6 - 7.7bn</td>
</tr>
<tr>
<td>Organic Cash Flow (telecom)</td>
<td>&gt; €2.6bn</td>
<td>&gt; €2.2bn</td>
</tr>
<tr>
<td>Net debt / EBITDAaL (telecom)</td>
<td>Around 2x in the medium term</td>
<td>Around 2x in the medium term</td>
</tr>
<tr>
<td>Dividend</td>
<td>€0.70</td>
<td>€0.70</td>
</tr>
</tbody>
</table>
Annexes
Normalisation of eCapex after H1 catch-up

Q3 2021 eCapex: €1.7bn

Q3 2021 eCapex
- yoy -1.0%
- €18m

 FTTH connectable lines in France
- Q3 20: 20.9m
- Q3 21: 27.4m
+31%

 VHBB connectable lines in Spain
- Q3 20: 15.2m
- Q3 21: 15.9m
+4%

 FTTH connectable lines in Poland
- Q3 20: 4.8m
- Q3 21: 5.6m
+17%

**VHBB > 100 Mbps**

Q3 21 Results
Convergence, the bedrock of our strategy

€1.9bn Convergent services revenues in Q3 2021

+2.9% yoy

Convergent B2C customer base in million

<table>
<thead>
<tr>
<th>Country</th>
<th>Q3 20</th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>Q1 21</th>
<th>Q3 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>54%</td>
<td>54%</td>
<td>53%</td>
<td>53%</td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>85%</td>
<td>85%</td>
<td>86%</td>
<td>86%</td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>64%</td>
<td>64%</td>
<td>67%</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Quarterly convergent ARPO, in €/month in Q3

<table>
<thead>
<tr>
<th>Country</th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>Q1 21</th>
<th>Q2 21</th>
<th>Q3 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>€69.8</td>
<td>+1.6%</td>
<td>yoy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>€52.7</td>
<td>-6.8%</td>
<td>yoy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>€24.8</td>
<td>+7.4%</td>
<td>yoy**</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Number of mobile lines per convergent offer (Q3 yoy growth)

<table>
<thead>
<tr>
<th>Country</th>
<th>Q3 20</th>
<th>Q4 20</th>
<th>Q1 21</th>
<th>Q2 21</th>
<th>Q3 21</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>1.69</td>
<td>+0.5%</td>
<td>yoy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spain</td>
<td>2.06</td>
<td>+4.1%</td>
<td>yoy</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Poland</td>
<td>1.88</td>
<td>-0.3%</td>
<td>yoy</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

* Churn differential between convergent B2C customers and total fixed BB B2C customers
** YoY change calculated in local currency