

Middle East & Africa

Solid engine of growth

#OrangeMEADay2019

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London, June 21st 2019



Disclaimer

This presentation may contain forward-looking statements about Orange, notably on objectives and trends related to Orange's financial situation, investments, results of operations, business and strategy. These forward-looking statements do not constitute a forecast as defined in EU Commission Regulation No. 809/2004 and 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: the success of Orange's strategy, risks related to information and communications technology systems generally, in particular technical failures of networks, the deterioration of the economic conditions prevailing in particular in France, in Europe and in Africa and in certain other markets in which Orange operates, fiscal and regulatory constraints and changes, growing banking and monetary regulations requirements and the results of litigation regarding regulations, competition and other matters. More detailed information on the potential risks that could affect our financial results is included in the Registration Document filed on 21 March 2019 with the French Autorité des Marchés Financiers (AMF) and in the annual report (Form 20-F) filed on 16 April 2019 with the U.S. Securities and Exchange Commission. Other than as required by law, Orange does not undertake any obligation to update them in light of new information or future developments.

1

Over 20 years in the region, a key growth asset for the group

2

What drives growth and our sustainable competitive advantage

3

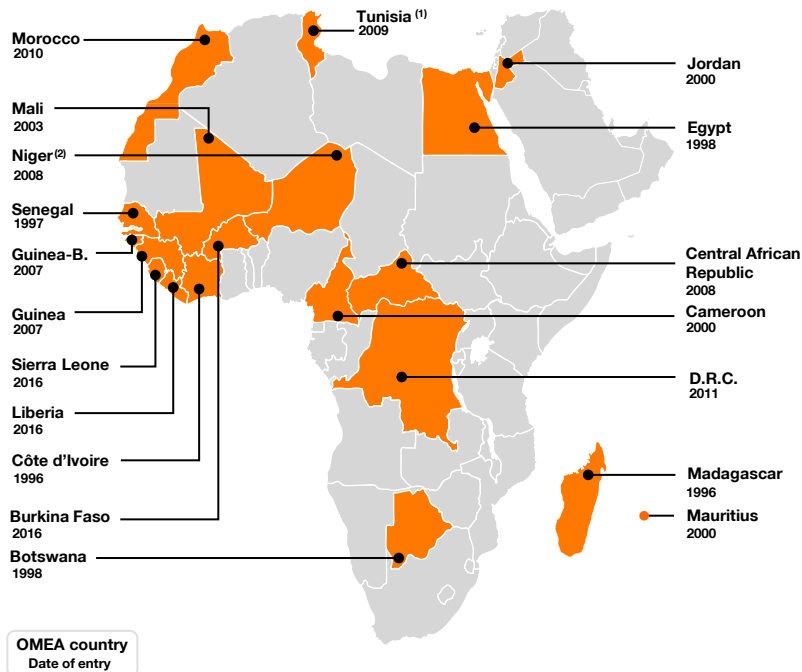
Well-positioned for continued superior performance

4

Q&A

Orange MEA at a glance

Orange MEA footprint ⁽²⁾



Key Figures 2018 – consolidated perimeter

121m

mobile
customers

1.0m

fixed broadband
customers

15.1m

Orange Money
active
customers

Revenues

€ 5.2bn

+ 5.1% yoy

Adj. EBITDA

€ 1.66bn

+ 5.2% yoy

Op. Cash Flow

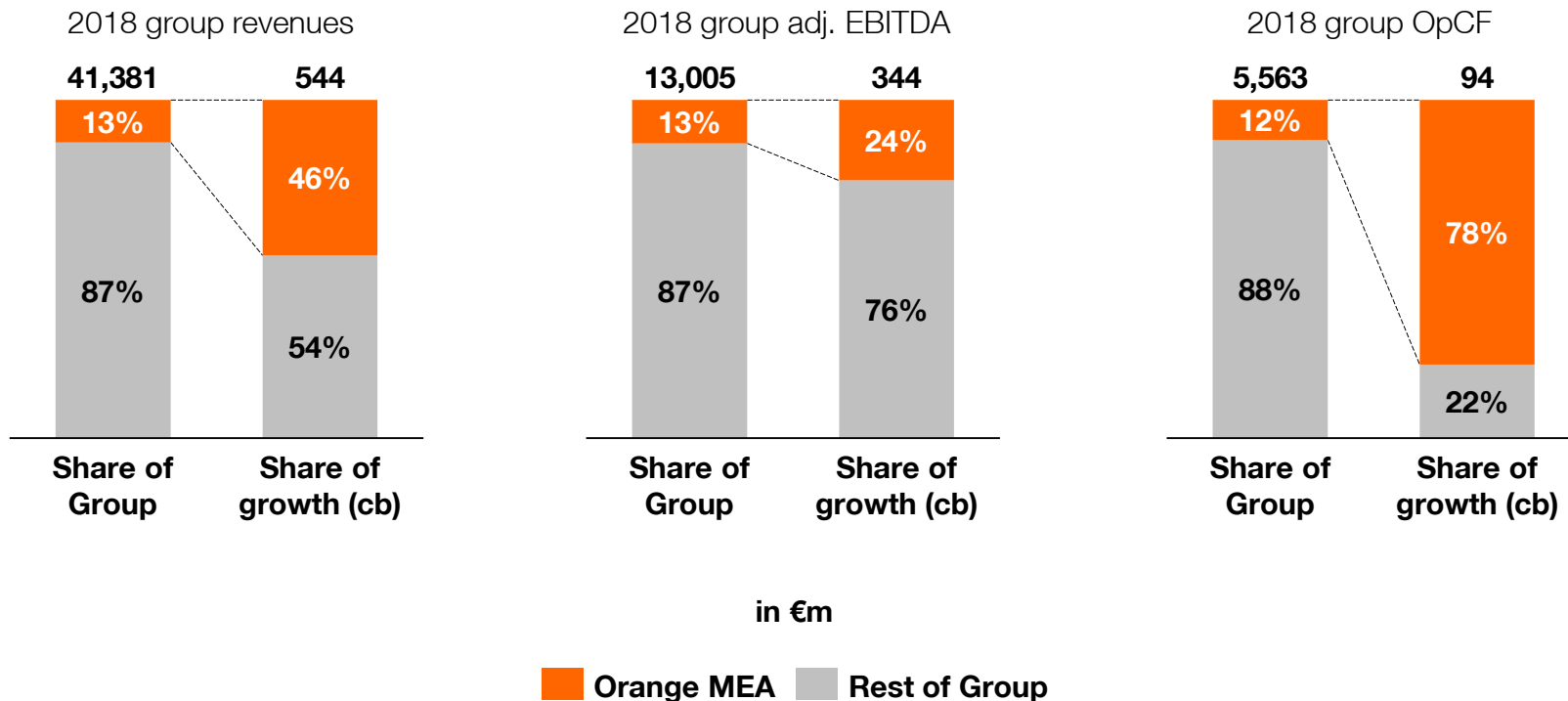
€ 0.66bn

+ 12.5% yoy

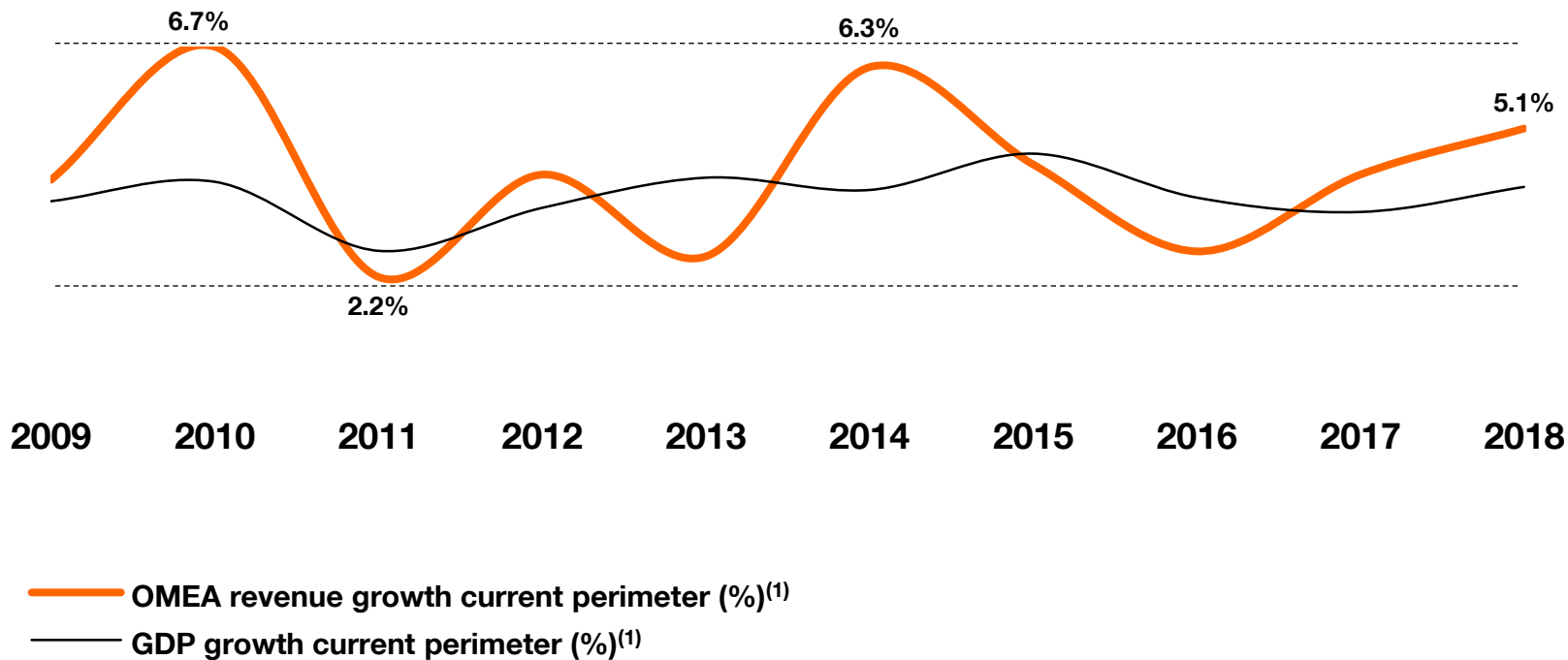
(1) Under the equity method

(2) Mauritius not included in the Orange MEA consolidated perimeter

OMEA – Key driver of growth, margin and operating cash flow



Over past 10 years, OMEA revenues⁽¹⁾ grew on average faster than GDP



#1 or #2 positions built up over 20 years...

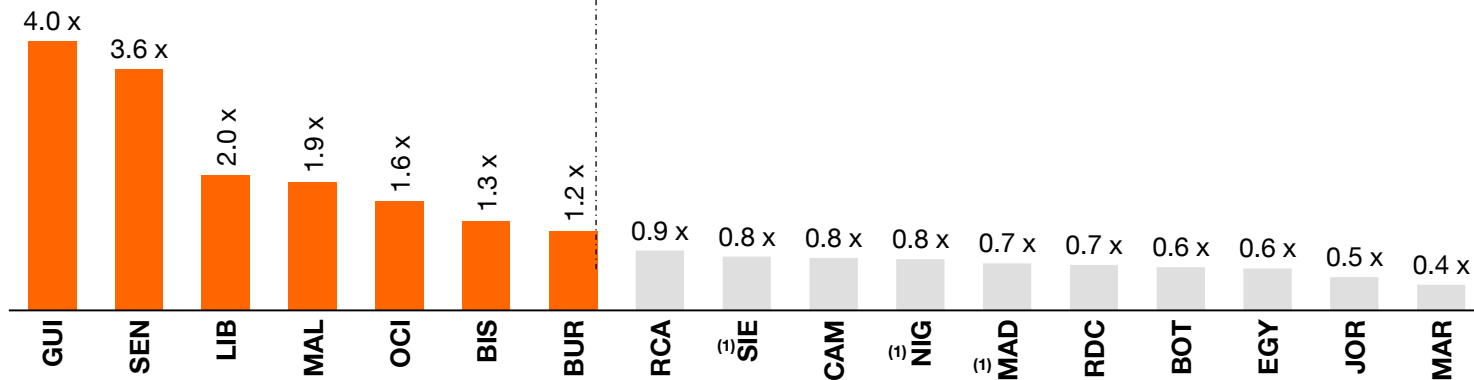
- Presence in 19 countries with 17 controlling interests
- Leadership position in 7 markets
- First challenger position in 10 markets

Relative Value market shares
(points in value, 2018)

Orange's #1 market share relative to the second competitor in the market



Orange's market share position relative to the market leader



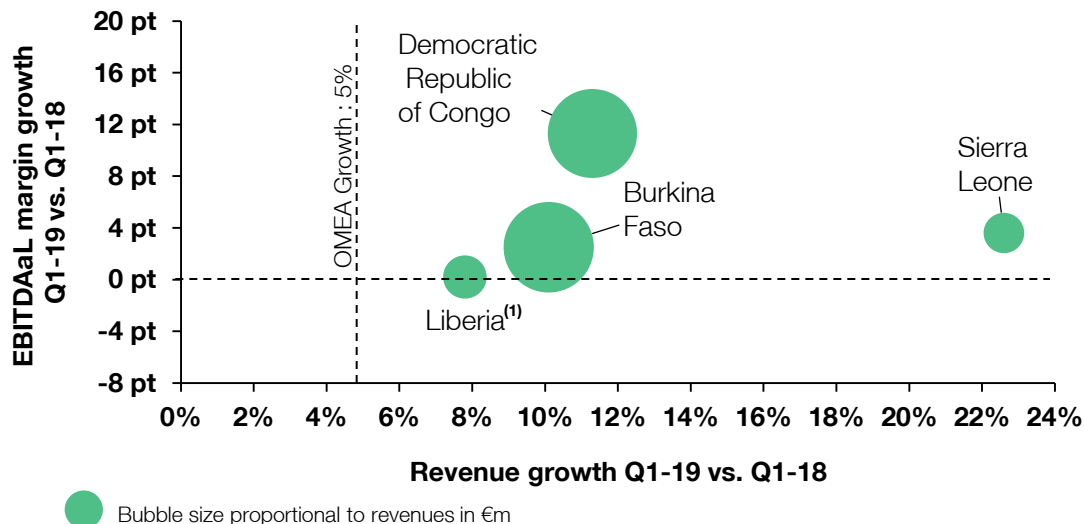
Note: FY18 figures and year-on-year growth between 2017 and 2018

Source: Orange MEA

(1) Countries estimates based on volume market share

... reinforced by successful integration of 2016 acquisitions...

Recent acquisitions outperformed Orange MEA portfolio...



... helping boost overall Orange MEA growth

+3.5m 2018 yoy evolution in mobile customer base



3/4 2018 contribution to growth in Orange Money user base



1/3 2018 contribution to revenues growth (cb)



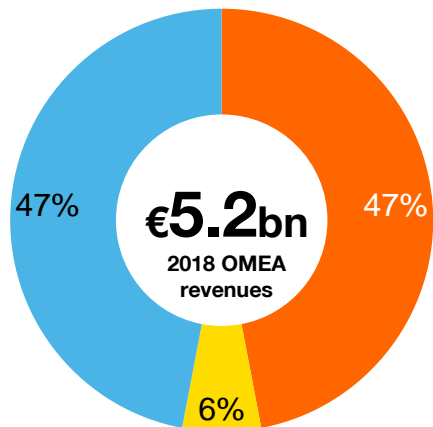
Key success factors

Clusters' involvement

Skills in fast integration to Orange standards

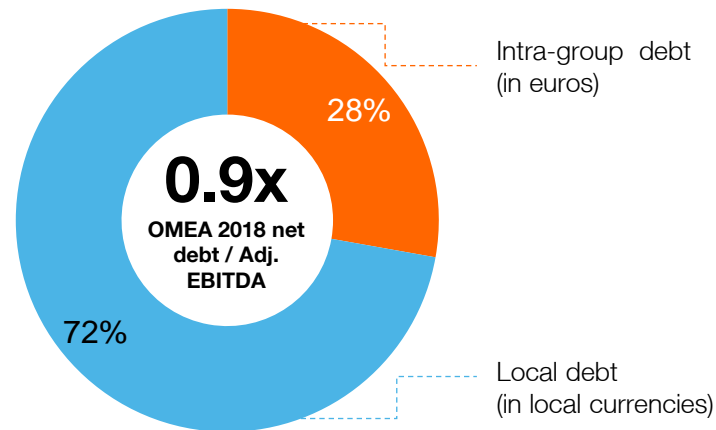
... with financial exposure under strict control...

Operations
monetary areas



XOF XAF Other

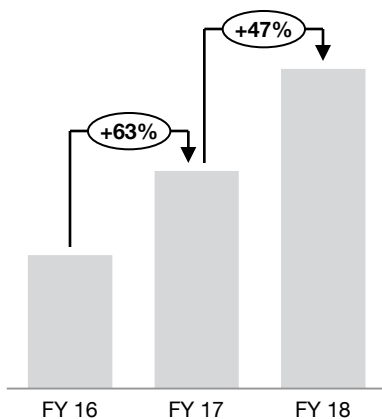
Healthy balance sheet
funded mostly with local debt



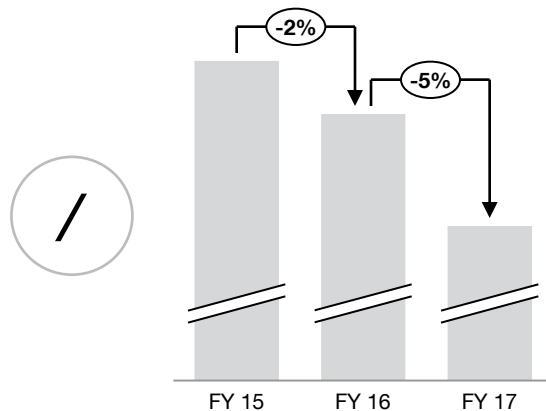
Intra-group Debt External funding

... and improving contribution to value creation

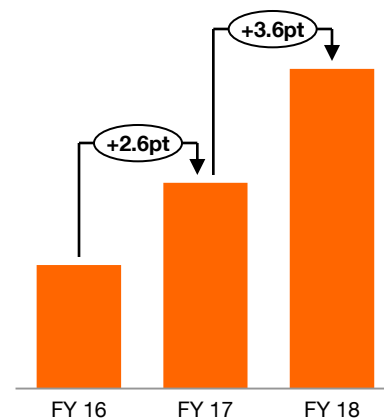
OMEA Adj. EBIT evolution
Year n



OMEA Net Operating Assets
Year n-1



OMEA Operating ROCE* evolution
Year n



1

Over 20 years in the region, a key growth asset for the group

2

Growth and sustainable competitive advantage drivers

3

Well-positioned for continued superior performance

4

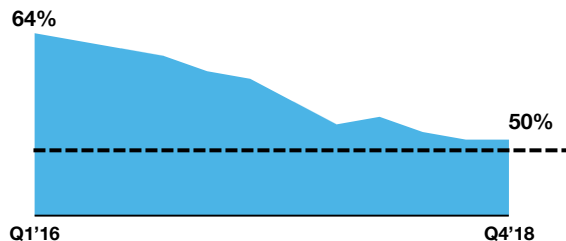
Q&A

Solid performance while service mix radically transformed...

A transformation of service mix...

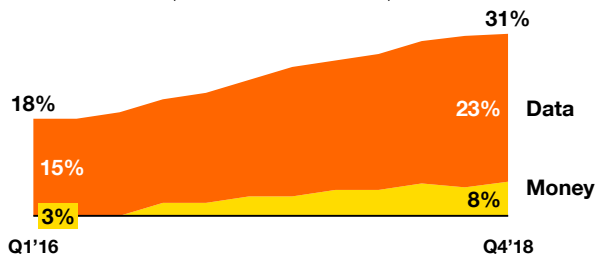
Voice stabilization

(share of retail revenues %)

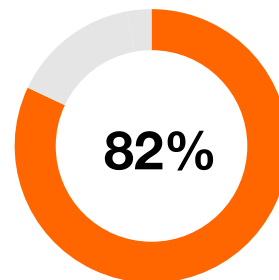


Acceleration of data and Orange Money

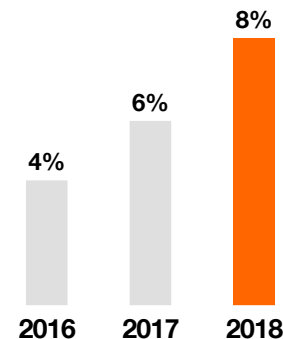
(share of retail revenues)



...with total retail revenues growing steadily



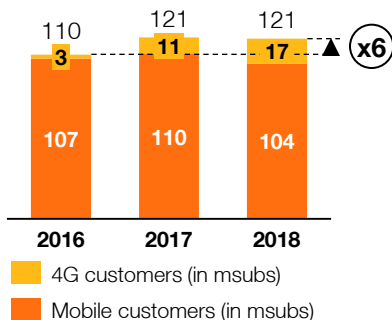
Contribution
(weight in FY18 revenues)



Growth in revenues
(comparable basis)

... fuelled by Data, 1st engine of growth...

Volume thanks to 4G and smartphone penetration

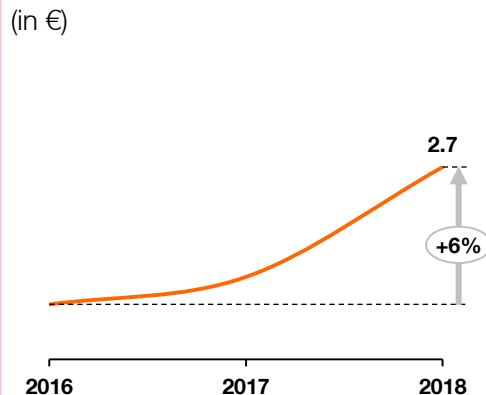


Smartphone penetration:
50% Middle East & North Africa
30% Central and West Africa

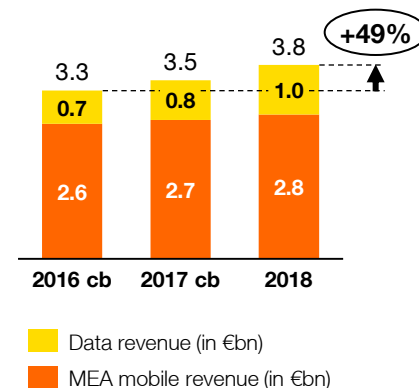
“Sanza” Orange 20USD feature phone



Mobile ARPU



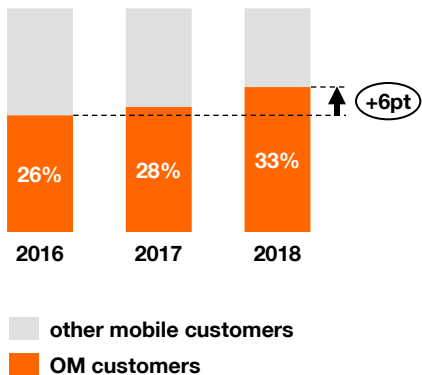
Data revenues growth since 2016



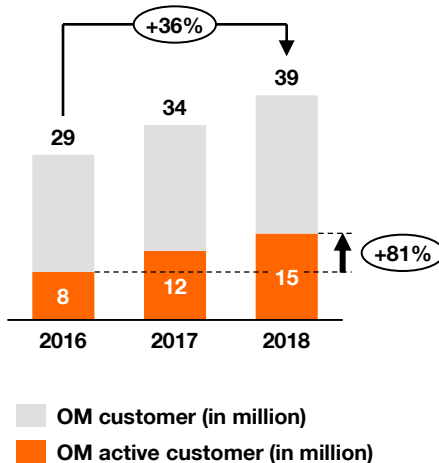
... then Orange Money, 2nd engine of growth...

Orange Money

Orange Money total base penetration in telecom base

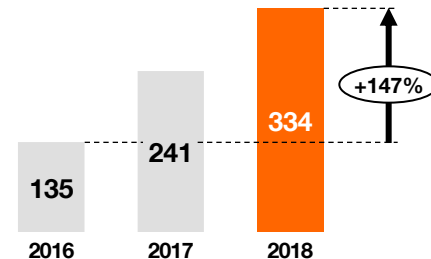


Steady growth of Orange Money active base



Strong increase in revenues

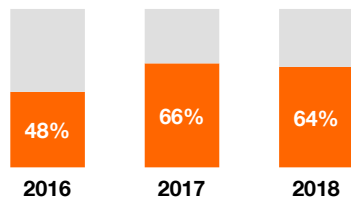
(in €m)



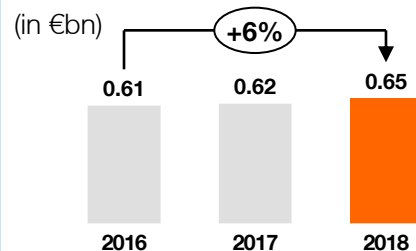
... and B2B, 3rd engine of growth...

B2B

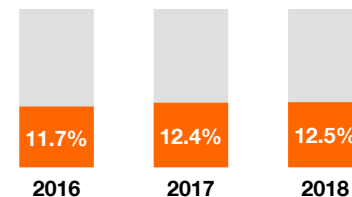
Data contribution to B2B growth



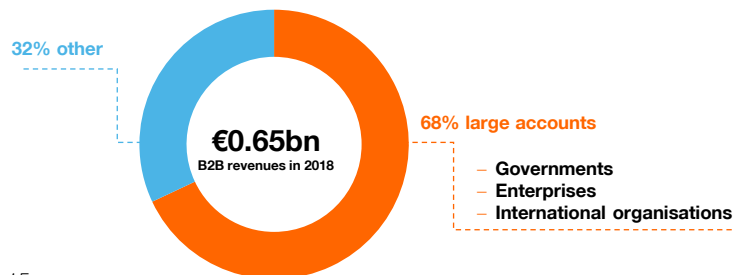
B2B revenues



B2B contribution to total revenues



Our customers



Our strategy

ICT



Digitalisation



Multi-services



... fuelling growth with new model of sustainable competitive advantage...

Our differentiating assets as key success factors in Africa



Reliable and extensive networks



€1.6 bn spectrum on balance sheet



45,000 km of undersea cables



900,000 points of sales



Strong and renowned brand

Regional/Local operating model



Experienced management team



Women and men: **employer of choice**



Partnerships with start-ups & companies



... thanks to unique combination of regional scale and local agility...

5 transformation streams

1 Adapt our business model to the upcoming challenges of the continent

2 Evolve our innovation model toward greater efficiency and improved TTM

3 Win the war for talent against competitors and other industries

4 Strengthen our regional anchorage

5 Combine the best of the two worlds: advantage of scale and greater agility

New operating model with 4 clusters

Dakar

- Sonatel Group
- Headquarters
- Shared Service Centers
- Network Operating Center

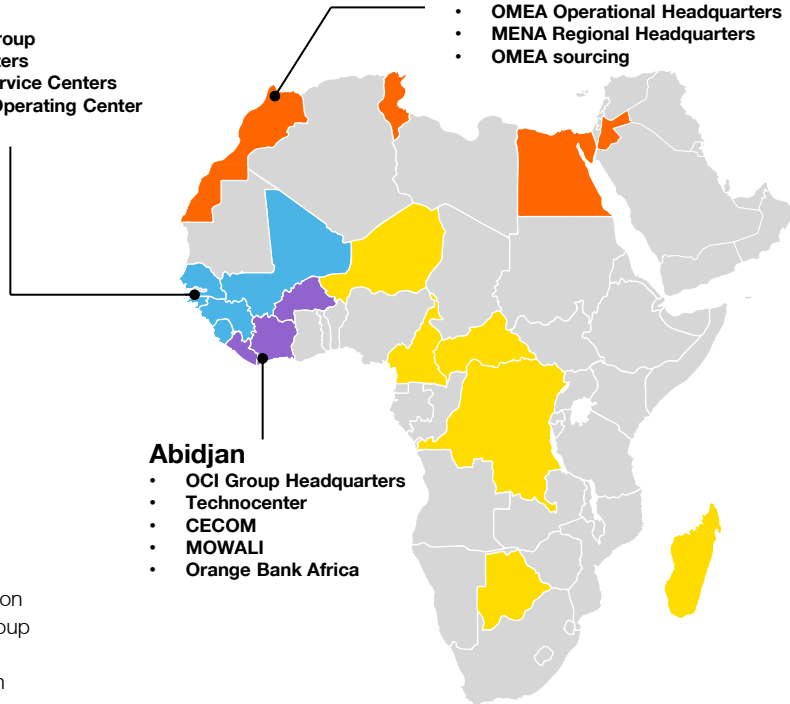
Casablanca

- OMEA Operational Headquarters
- MENA Regional Headquarters
- OMEA sourcing

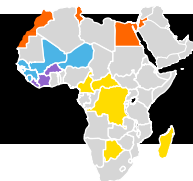
Abidjan

- OCI Group Headquarters
- Technocenter
- CECOM
- MOWALI
- Orange Bank Africa

- MENA region
- Sonatel group
- OCI group
- CEA region



... strengthening very balanced portfolio...



Our market positions in 2018 ⁽¹⁾

Sonatel Group

Senegal	#1/3
Mali	#1/3
Guinée	#1/4
Bissau	#1/3
Sierra Leone ⁽¹⁾	#2/3

€1.7bn
Revenues
(+6%)

29.2m
Customers

€4.2
ARPU

OCI Group

Côte d'Ivoire	#1/3
Burkina Faso	#1/3
Liberia	#1/2

€1.1bn
Revenues
(+4%)

23.3m
Customers

€3.5
ARPU

MENA region

Morocco	#2/3
Tunisia	#2/3
Egypt	#2/4
Jordan	#2/3

€1.6bn
Revenues
(+5%)

44.4m
Customers

€2.2
ARPU

CEA region

DRC	#2/4
Cameroon	#2/4
RCA	#2/3
Madagascar ⁽¹⁾	#2/4
Botswana	#2/3
Niger	#2/4

€0.8bn
Revenues
(+7%)

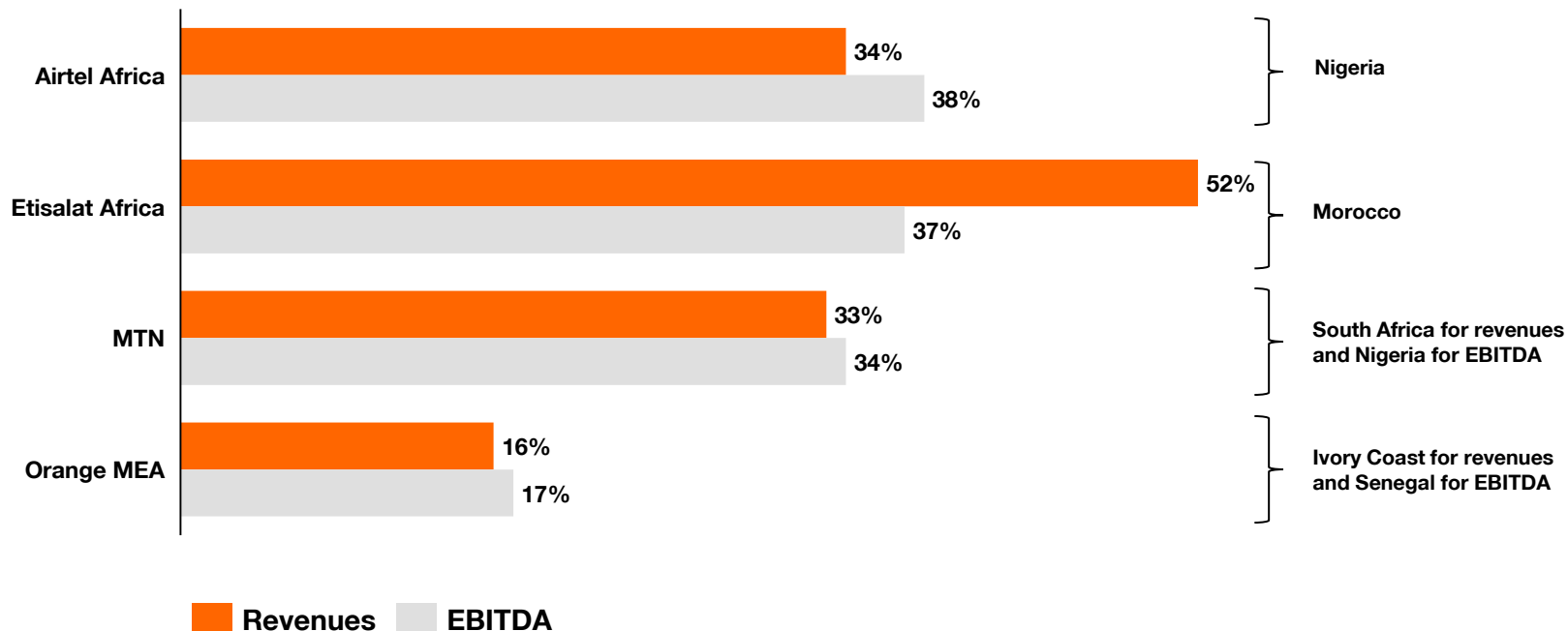
23.8m
Customers

€2.9
ARPU

... less dependency on one single country compared to peers...

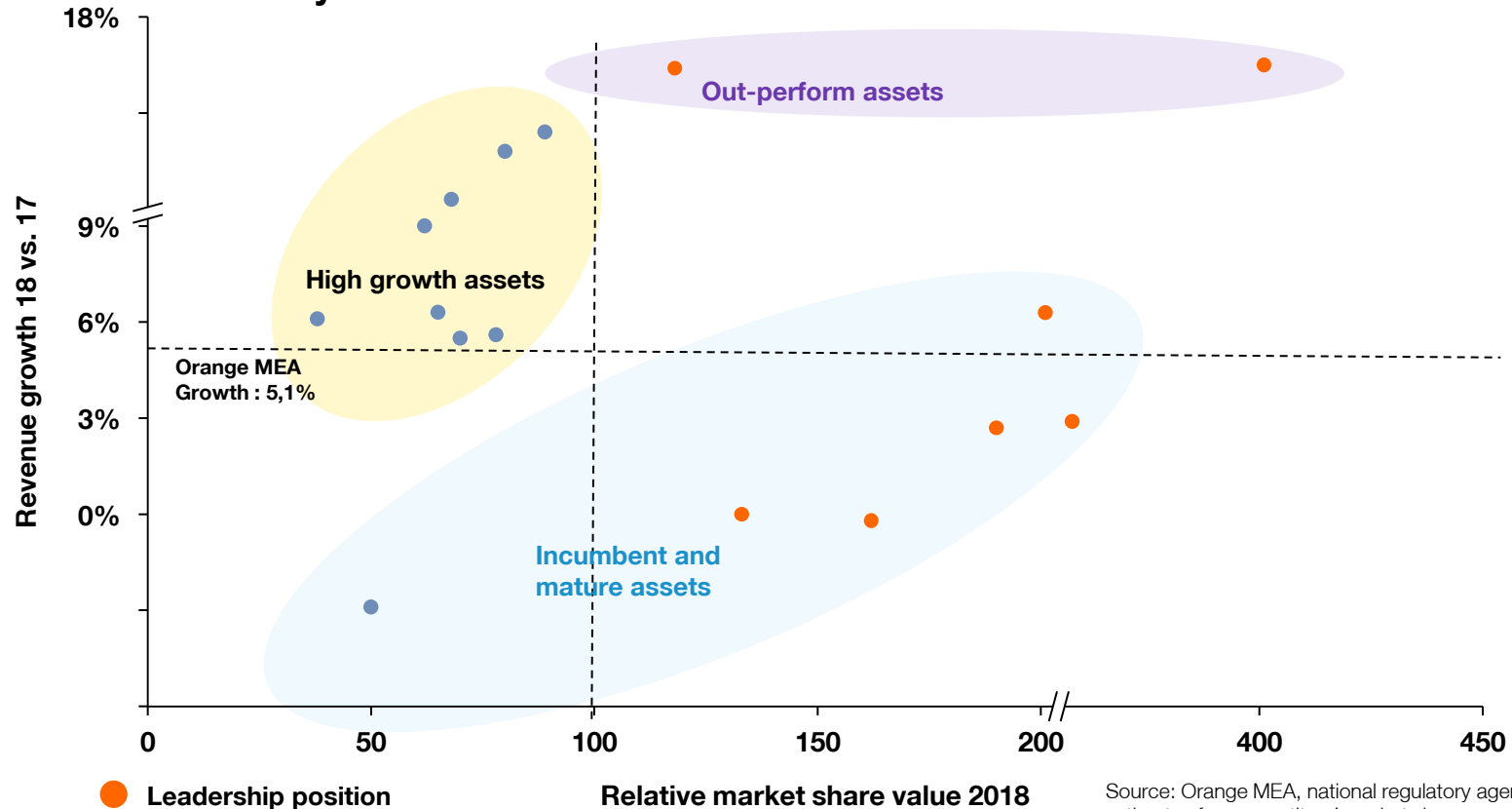
Less exposed to a single country

(revenues and EBITDA in TOP 1 within countries, FY18)



... showing a diversified and complementary profile...

Growth and maturity

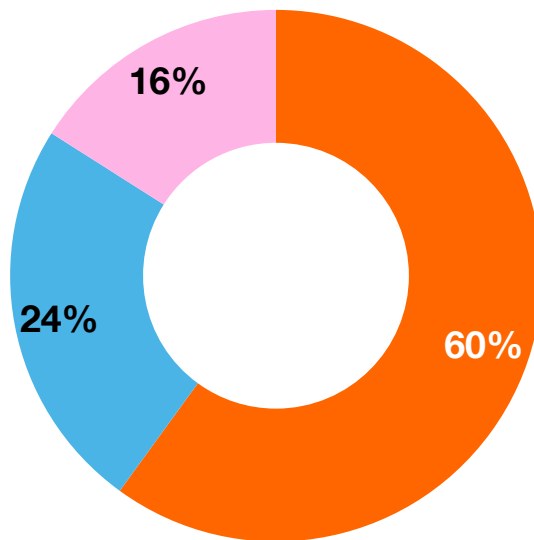


Source: Orange MEA, national regulatory agency reports and estimates for competitors' market shares

... and a strong local ownership...

Global shareholding structure ⁽¹⁾

Dec. 31st 2018



■ Orange ■ Local private investors ■ Local authorities, governments

(1) Based on Orange S.A. percentage of interest in each entity's enterprise value (internal calculation)

... supported by an experienced management team



Alioune Ndiaye
CEO Orange MEA



Jérôme Hénique
Deputy CEO & COO Orange MEA



Ludovic Pech
Deputy CEO & CFO Orange MEA



Sekou Drame
CEO of Sonatel Group



Mamadou Bamba
CEO of Côte d'Ivoire Group



Taïeb Belkahia
VP MENA Region



Elisabeth Medou Badang
VP CEA Region



B. Ba
Mali



S. Diop
Guinea



S. Sy Sarr
Bissau



A. Kane
Sierra Leone



B. Haïdara
Burkina Faso



M. Coulibaly
Liberia



Y. Shaker
Egypt



T. Millet
Tunisia



Y. Gauthier
Morocco



T. Marigny
Jordan



G. Lokossou
DRC



F. Debord
Cameroon



D. Aubert
Niger



R. Delière
CAR



M. Degland
Madagascar



P. Benon
Botswana

1

Over 20 years in the region, a key growth asset for the group

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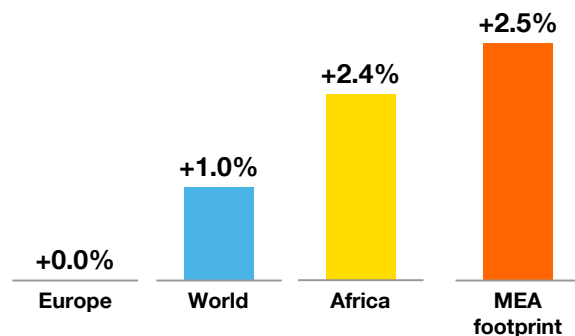
Well-positioned for continued superior performance

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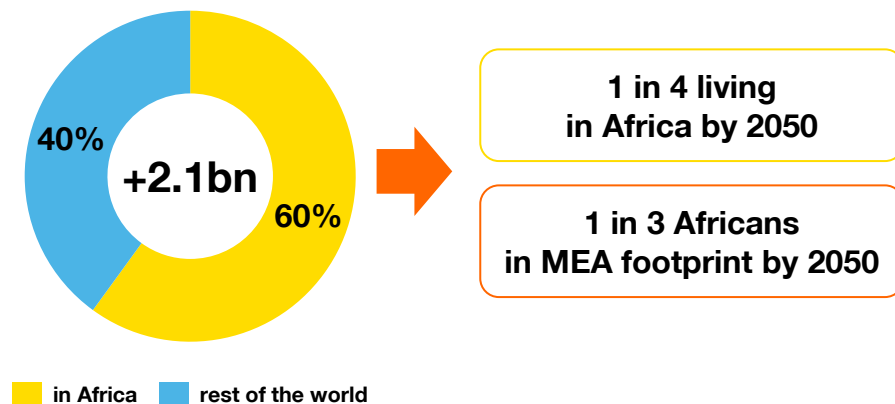
Q&A

Strong demographic growth...

Population growth 2018-2023



Population growth over 2018-2050

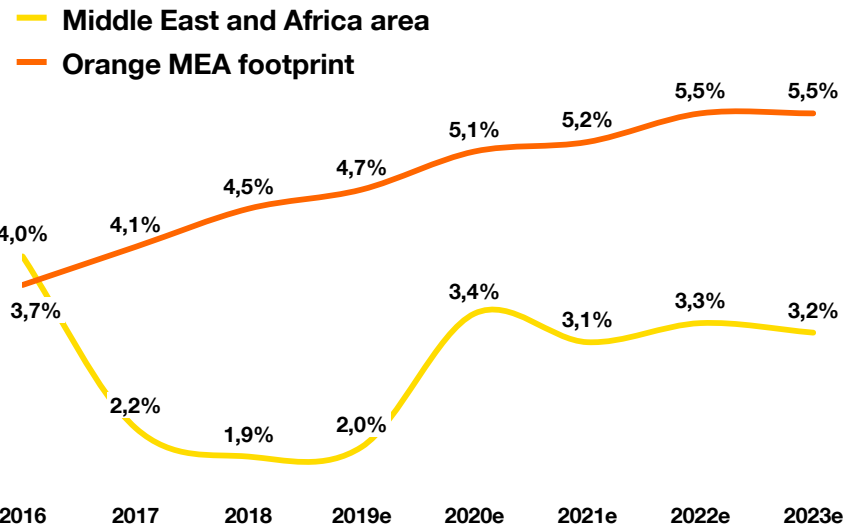


... fuelling sound long-term economic growth...

GDP: Africa* vs. rest of the world

2018			2050		
#1	China	18%	#1	China	20%
#2	United States	16%	#2	India	15%
#3	European Union	15%	#	United States	12%
#4	India	7%	#4	Africa	10%
#5	Africa	3%	#5	European Union	9%

GDP: Orange footprint vs. MEA



... and anticipated massive usage growth

> 65% smartphone adoption
in Sub-Saharan Africa by 2025 (x2 vs. 2017)



> 500m users
circa x4 by 2023

690m smartphone users
in Sub-Saharan Africa by 2025



> \$200bn transactions value
circa x8 by 2023

40% mobile internet penetration
in Sub-Saharan Africa by 2025 (x2 vs. 2017)

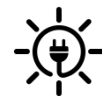


Equipment

Money

Usage

Services



60% African people
lack access to a reliable source of energy

> 10x mobile data traffic
evolution by 2023



250m African smallholder farmers
Potential M-Agri users*

We will continue to leverage our core business and new services

#1

Mobile data

- **Low-cost smartphone** promotion through manufacturer partnership
- New data plans to **support customer usage growth**
- Optimized investments through **sharing solutions**

#2

Fixed BB

- **Fibre roll-out** for targeted areas
- **Fixed LTE** development, as fibre alternative, to cover non dense area at attractive costs
- **Enriched content** and Pay-TV

#3

Money



- Increase penetration and usage through **customer base management**
- Increase value by **enriching services portfolio**
- Leverage to penetrate other **business opportunities**

Orange Money paving the way for fully-fledged Orange Bank

Product portfolio



Credit/loans

Pico <€100 / Micro [€100-500]



Savings account



Insurance

Partners/Providers



Orange Bank Africa *

NSIA fully-fledged bank



PAMF

Insurance, savings, credit, payments

Product portfolio built in-house or thanks to partnerships

MEA will continue to develop into multi-services...

Energy



**Access
facilitation to
energy** through
prepaid services
using Orange
Money

M-Agriculture



**Productivity
increase**
through mobile
agriculture
services

Health



Efficiency of
health systems
through
e-health

Education



Teacher training
improvement
through
e-education

... with focus on energy business

Standalone power systems



- **Payment** via Orange Money
- More than **2,800 radio sites** in 2018
- **Recharge mobile phones at home**

Solar power



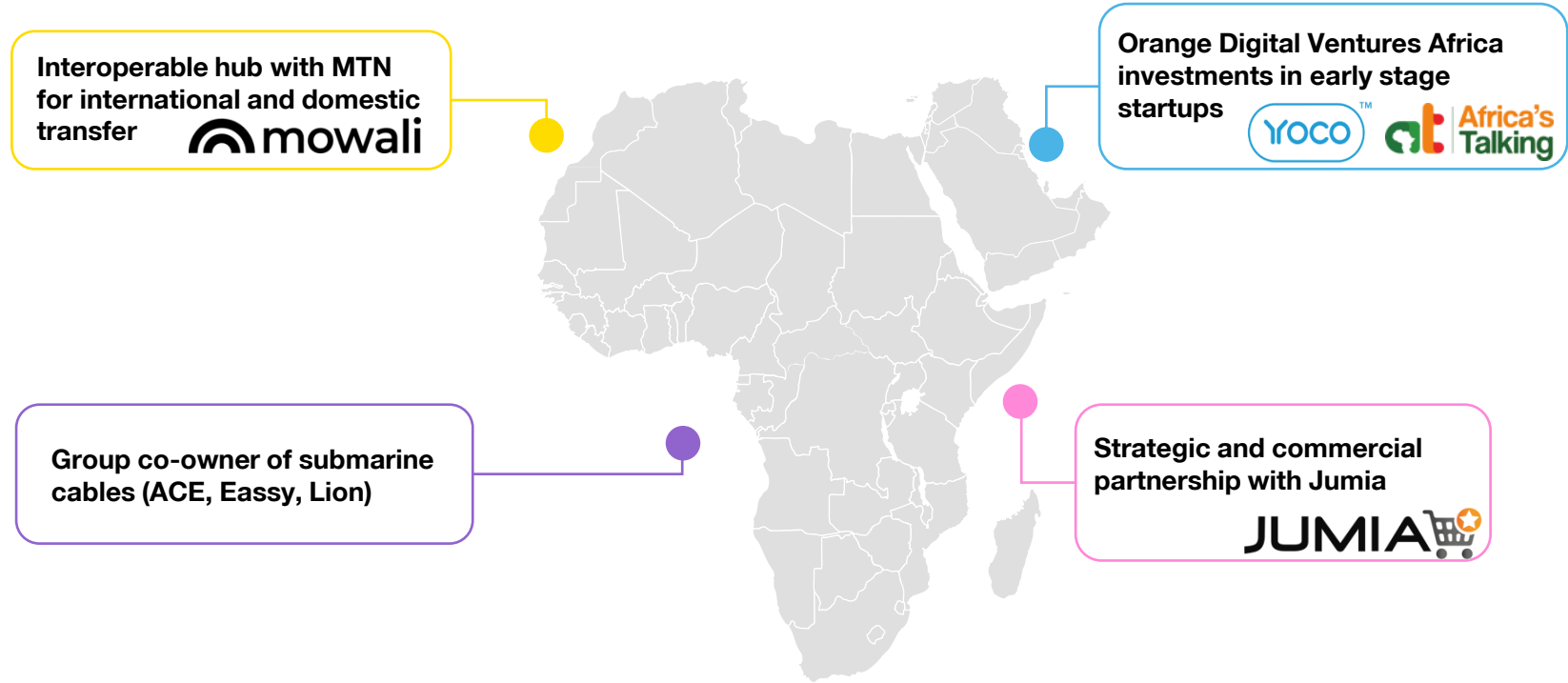
- Orange Jordan to be fully powered by **renewable energy**
- Optimize **energy costs**
- **Partnerships** with energy service companies

Smart metering



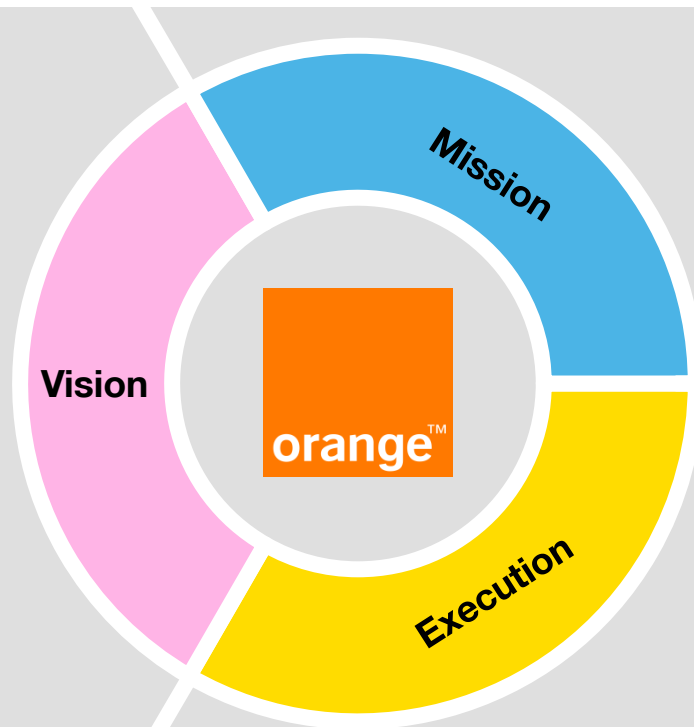
- Manual metering **operation made automatic**
- **Energy production optimisation**
- **Payment experience improvement** with Orange Money

MEA will continue to consolidate footprint via strong local partnerships



In a nutshell

Set the standard as
multi-services operator
supporting digital
transformation in
Middle East & Africa



- Make **innovation** a driver for growth in Africa
 - Meet customers **essential needs** while offering an **unmatched experience**
 - Become the **reference partner** for the digital transformation across the continent
-
- Single dedicated holding company with **operational and regional headquarters in Africa**
 - A new operating model with **stronger operational leverage**

Shareholders can expect ongoing Orange MEA solid profitable growth



**Ongoing a major source
of revenue growth for
the Orange Group**

→ Continue to over-perform footprint
GDP growth at portfolio level



**Ongoing delivery of
profitable, sustainable
and responsible growth**

→ Grow EBITDAaL
faster than revenues



**Ongoing improvement
in operational ROCE**

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