



**Engage**  
**2025**

**Stéphane Richard**

Chairman and CEO

**Ramon Fernandez**

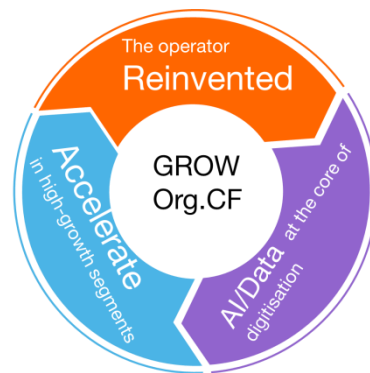
Deputy CEO, Finance, Performance and Europe

2023

2022

2021

2020



# Disclaimer

This presentation contains forward-looking statements about Orange, notably on objectives and trends related to Orange's financial situation, investments, results of operations, business 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. 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 new strategy, risks related to information and communications technology systems generally, in particular technical failures of networks, the deterioration of the economic conditions prevailing in the 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**

**Our journey so far in a changing environment**

**2**

**3-step strategic response**

**3**

**Financial focus**

**4**

**Guidance**

# Essentials2020 achievements



Leadership in NPS  
with 3 clients out of 4



Brand Power Index  
improvement



Network leadership  
x3 the average data throughput on all our networks



Revenues  
2018 > 2014



Digital transformation  
50% of interactions in Europe via digital by 2018



Restated EBITDA  
2018 > 2014 with a minimum in 2015



Digital & caring company  
9 out of 10 recommending Orange as an employer



Dividend  
≥€0.60



Share of IT services  
+10pt in OBS revenues mix by 2020



Net Debt / Restated EBITDA  
around 2x in the medium term



New services  
1bn€ revenues by 2018



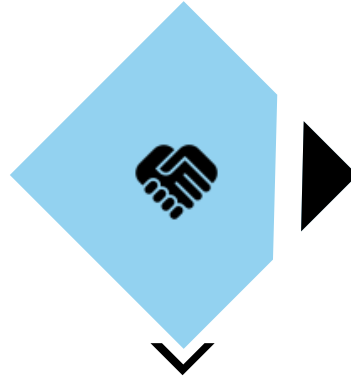
Totally achieved



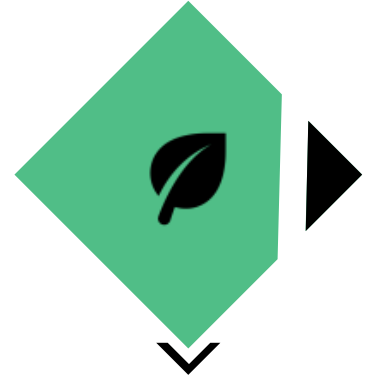
> 75% of target



60% to 75 % of target



**ENGAGED**  
against digital divide



**ENGAGED**  
in fighting global warming

**Sustainable economic performance**

# Be a reference as an inclusive business

## Network infrastructure and coverage



# Engage in fighting global warming



## Orange engagement

Carbon neutrality  
by 2040



## Renewable energy

50% of Group's energy mix  
by 2025



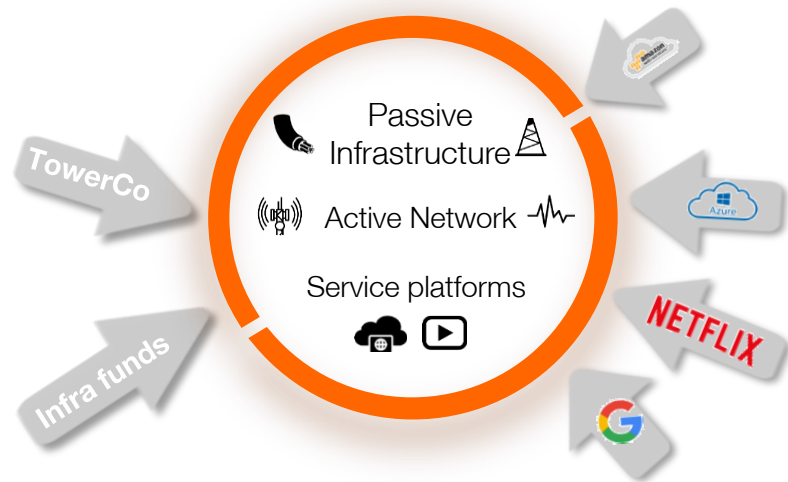
## Energy efficiency plan

Boost Green ITN program  
7000 electrified vehicles in France by 2025  
Circular economy



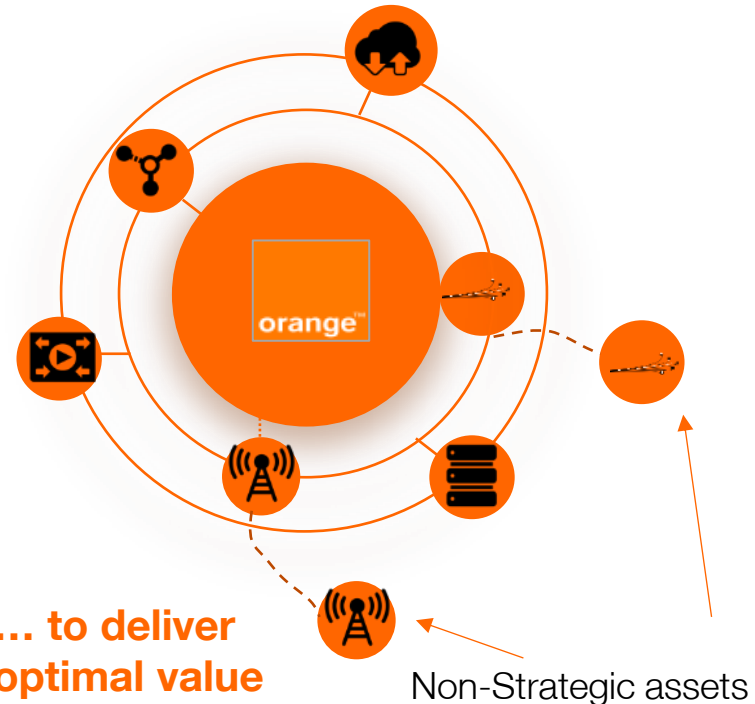
# Orange, an integrated operator positioned to optimise value

**Increase in industry-level competition...**



**... and reduction in sector barriers to entry**

**Orange evolving with the ecosystem...**



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## 3 step strategic response

### 1 | The Operator reinvented

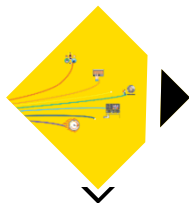
- Augmented connectivity
- Optimised Infrastructure

### 2 | Accelerate in high-growth segments

### 3 | AI/Data at the core of digitisation



# Reinvent our differentiation through an augmented connectivity



FTTH

From  
**41 million\***  
today...



to **69M**  
in 2023 connectable  
households



HomeLan

Improve in house  
connectivity quality from  
standard WiFi ...



to **smart WiFi**  
Towards  
**10 Gbps**



Multiservices

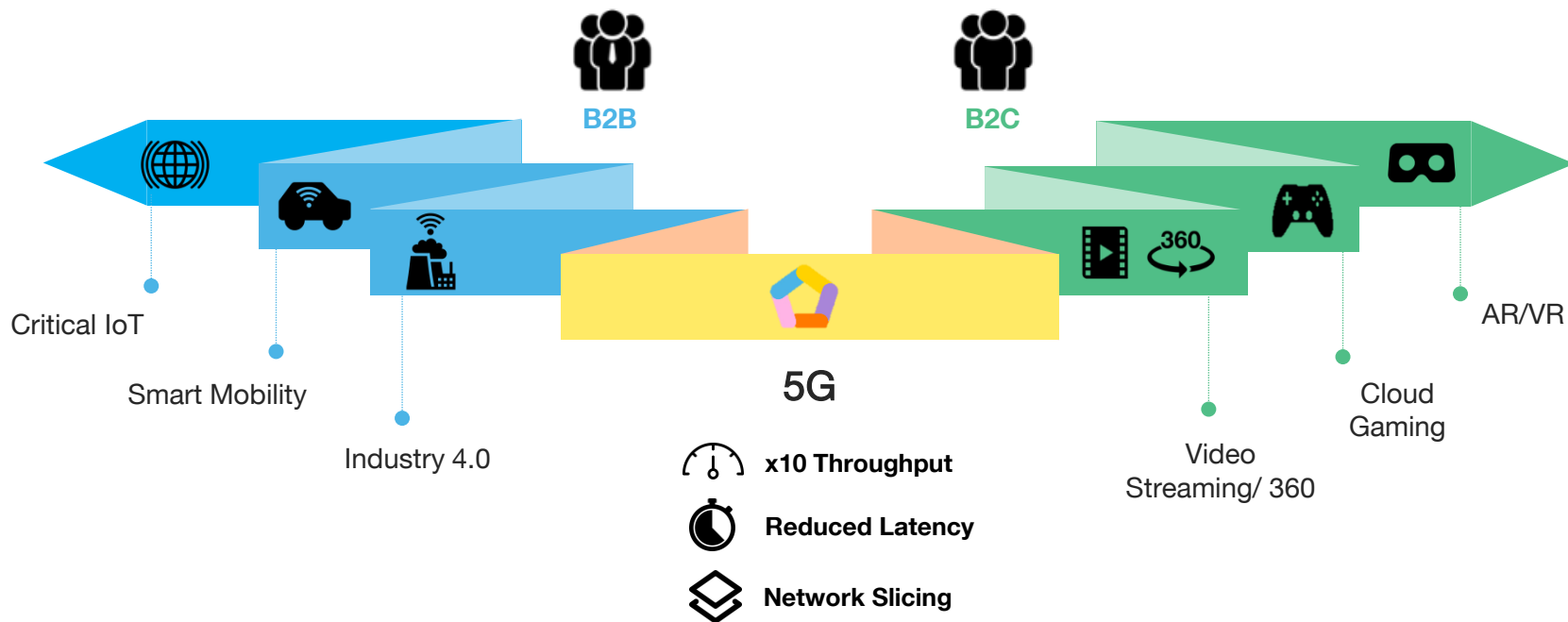
Major content aggregator,  
Financial Services, Protected  
and Connected home



Towards  
**home of the future:**  
smart, secured and sustainable

\*FY19 estimated

# 5G enables new use cases



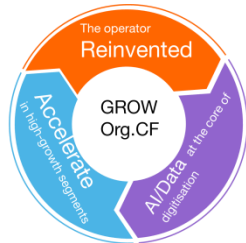
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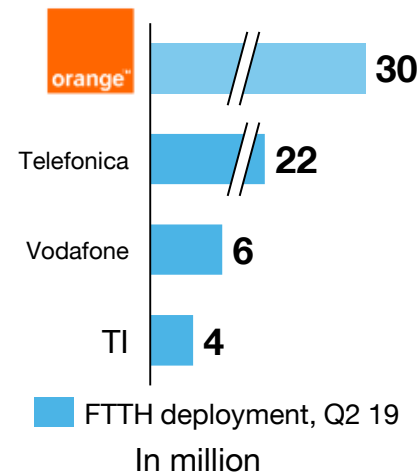
# Optimising unique European FTTH portfolio



## FTTH lines deployed by Orange, in million

France		Spain	Europe seg.	Total	
Private areas	PIN				
Q2 19	~10.4m	~0.4m	~14m	~4m	~30m
2023	~19m	~4m	~16m	~6m	~45m

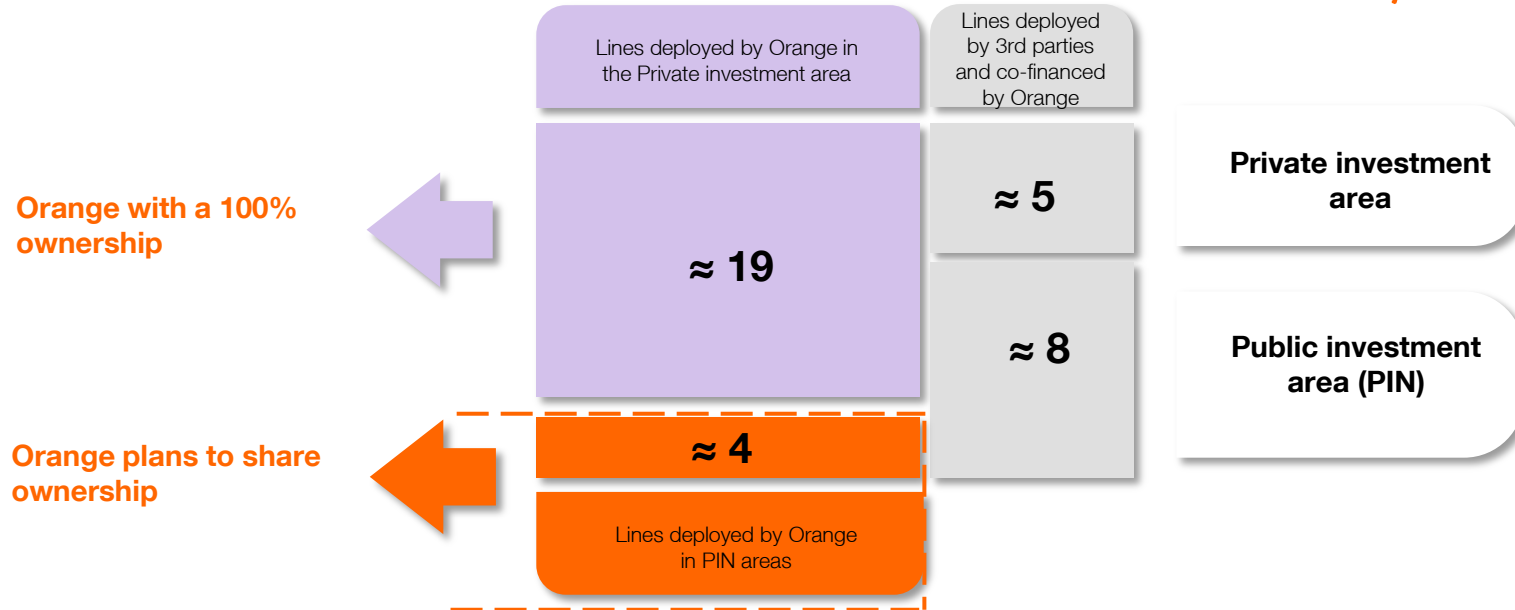
## European Leadership



# Unlocking value in France from 2020 with Orange Concessions..



Number of FTTH lines connectable by Orange in 2023<sup>e</sup> (in millions)





## ... and working on Fibercos in Poland and Spain



**FiberCo  
Spain**



**FiberCo  
Poland**

# Managing the copper network switch off



**Copper**



**Switch off**

**Optimise**  
The copper network  
(in France)



**Initiate**  
the copper switch  
off from 2023

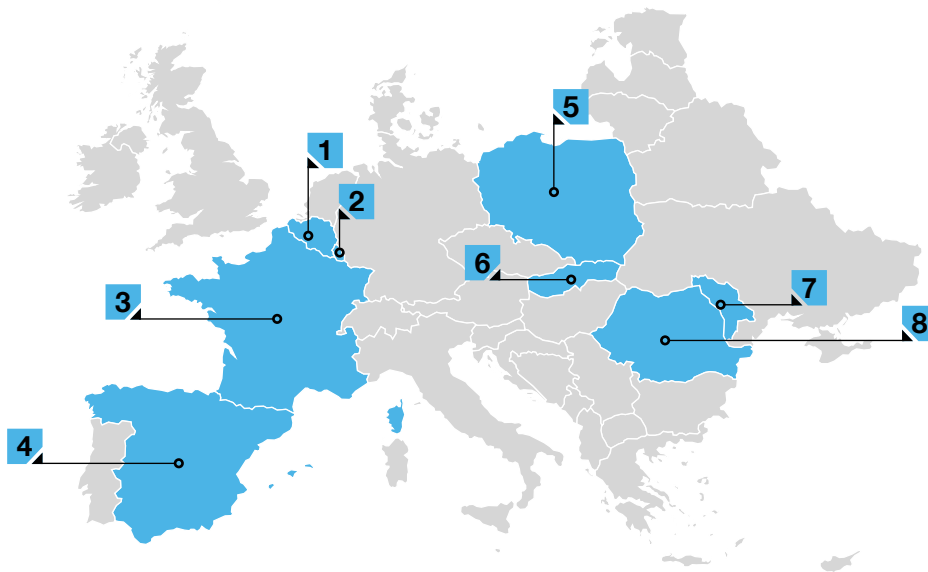


# Unlocking value with new Orange Towercos from 2020



~ 40 K sites owned by Orange in Europe (end 2019)

- 1 Belgium  
3.1 K Sites
- 2 Luxembourg  
0.2 K sites
- 3 France  
17.1 K sites
- 4 Spain  
7.7 K sites
- 5 Poland  
5.2 K sites
- 6 Slovakia  
1.8 K sites
- 7 Moldova  
1.5 K sites
- 8 Romania  
3.6 K sites



## Existing Initiatives in RAN Sharing

Current RAN sharing deals

- 1 Belgium
- 5 Poland
- 4 Spain
- 8 Romania

Centralised European RAN maintenance and operation, outsourced to 3<sup>rd</sup> party supplier

- 1 Belgium
- 6 Slovakia
- 2 Luxembourg
- 7 Moldova
- 4 Spain
- 8 Romania

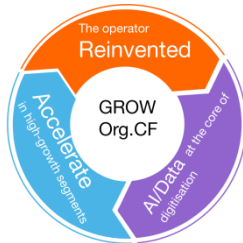
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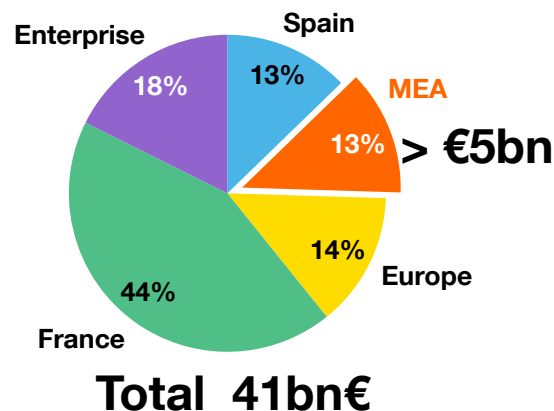
### 3 | AI/Data at the core of digitisation



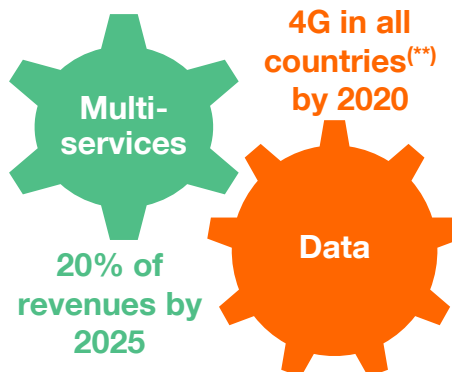
# MEA : main growth engine for the Group



Group revenues split by geography 2018 (\*)



Main growth levers



Our ambition 2020-2023

Revenues CAGR @ 5%

EBITDAaL CAGR @ > 5%



~900 M€ in 2023

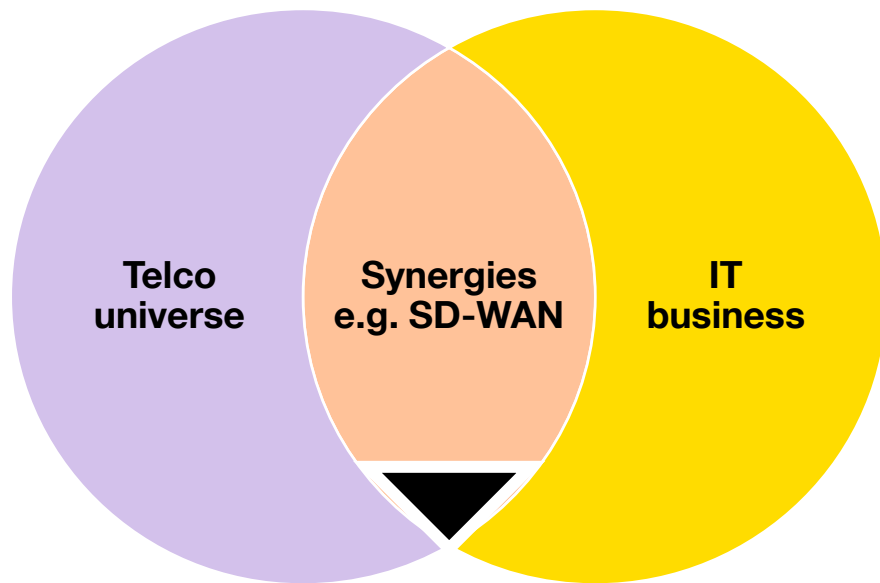
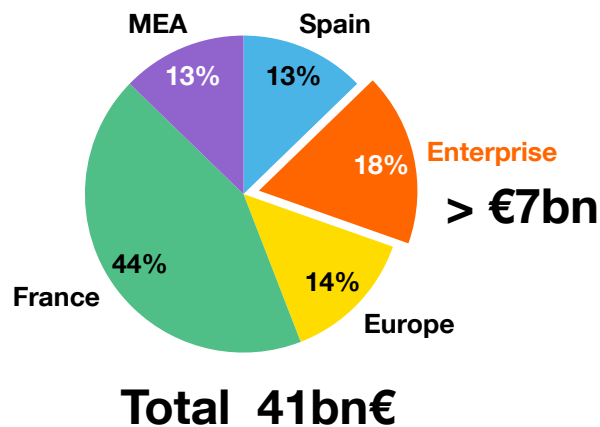
(\*) Statutory data, before eliminations

(\*\*) Except Central African Republic

# Enterprise whose transformation has been shaped...



Group revenues split by geography 2018 (\*)



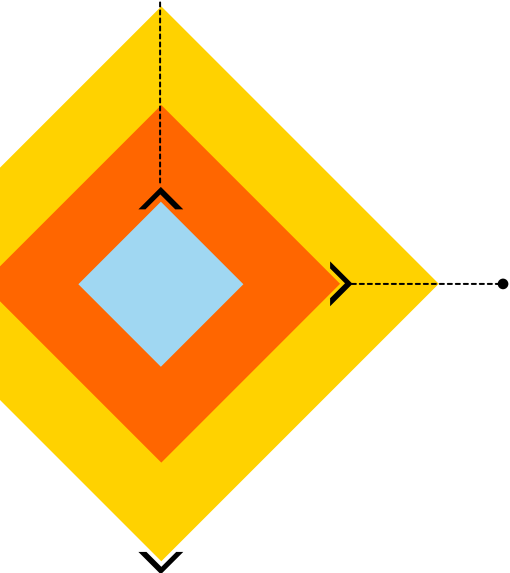
Already more than 1/3 of Enterprise segment revenues from IT&IS (\*\*)

(\*) Statutory data, before eliminations

(\*\*) 9m2019



- Deep **evolution of core business** to fiber, 5G and SD-WAN

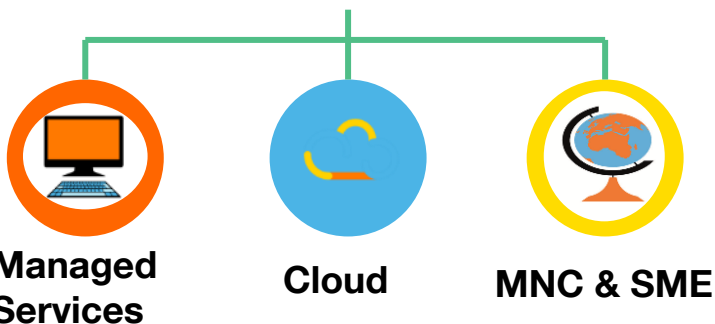


**Four major drivers of growth**

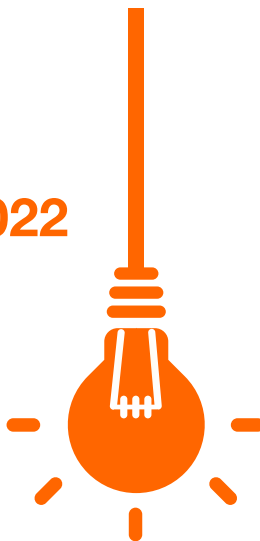
- Acceleration of operational **transformation**

- ✓ **European Leader**
- ✓ **Global protection with local expertise 24/7/365**
- ✓ **A strong organic\* growth story**

## Main growth drivers



2022



Ambition

**€1 bn revenues**

\* Excluding revenues impact of acquisitions from last 12 months



# Financial Services,

Orange Bank: unique, enabled by powerful telecom synergies



## Orange Bank

**+500k**  
customers

**Telco**  
x-benefits

Ranked  
**1st digital  
offering**  
2018 and 2019  
(D-Rating)

## To come...

**New products**  
.....● e.g. Mobile Insurance

**New geographies**  
.....● e.g. Europe, Western Africa

**New markets**  
.....● e.g. SoHo customers

## 3 step strategic response

### 1 | The Operator reinvented

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# Transformation supported by AI and DATA



# Augmented customer relationship by 2023: best of human and digital



**An Experience led by 3 Consumer promise**



**Simplicity**



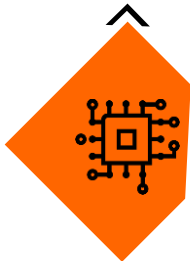
**Expertise**



**Responsibility**



**Answered with Best of Breed Technologies**



**Digital**



**Data**



**Vocal/AI**

# Our customer experience ambition for 2023



## Sales



1

+20pts in share of digital sales in Europe

2

75% of on-line or in store sales AI powered In France

2019

10%

+20 pts

2023

30%

0%

+75 pts

75%

## Care



3

- 55% reduced calls in Europe call centres

4

+27M My Orange active users group level

90M

-55%

40M

20M

+27M

47M

**Our goal: In 2025, 9 out of 10 customers recommend Orange in all the countries where we are present.**

# AI and Data driving network efficiency



## Smart Capex

- ✓ Value Based Network Extension
- ✓ 10 to 20% Optimised CAPEX
- ✓ "EBITDA" margin of each cell



Orange Khiops 



## FTTH Maintenance

- ✓ 75% Accurate Prediction of Root Causes
- ✓ 20 m€ Savings / year in France

# AI improving fraud detection in international voice calls



## AI-assisted traffic monitoring tool

Alerts Generation. Traffic Filtering. Blacklisting



- ✓ Fraud detection time **reduced by 2x**
- ✓ Better experience for **wholesale customers**
- ✓ **150 Gigabytes** of Data analysed a day
- ✓ **Replicability** potential for other services and fraud types

# 2025 HR strategic priorities : the challenge of skills and attractiveness



**#1**

**Reinforce tech skills and train our employees**



**#2**

**Develop attractiveness**



**#3**

**Retain talent**



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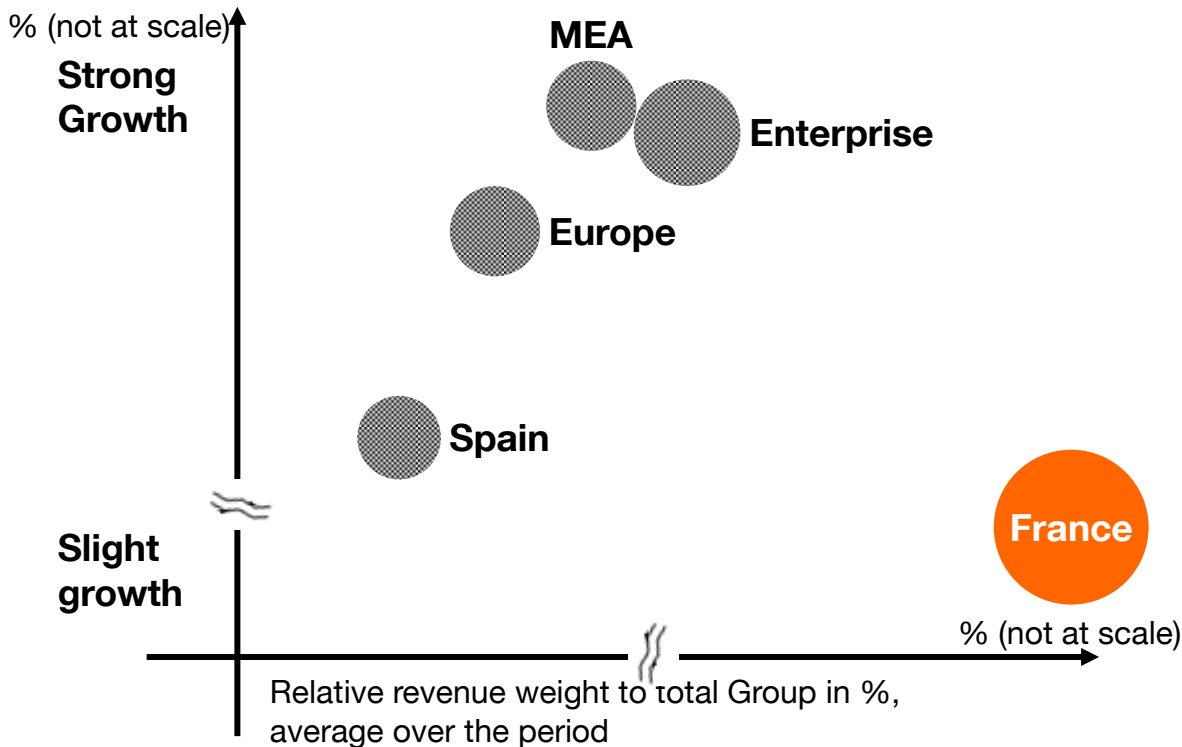
# Financial Focus

- 1 | Growth drivers
- 2 | Cost efficiency Initiatives
- 3 | EBITDAaL
- 4 | eCapex/ Organic CF



# France revenue will grow, compensating decrease in legacy and in national roaming

## Revenue CAGR 2019-2023\*



France

Leverage network leadership:

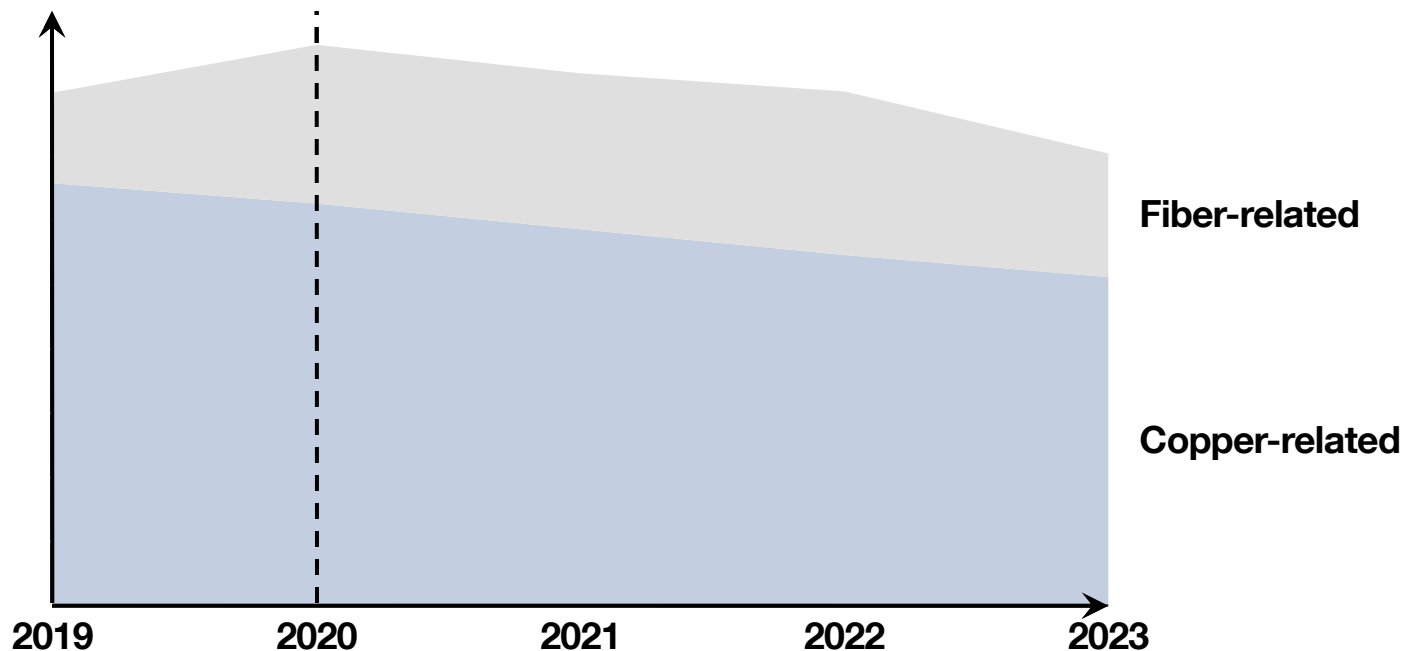
- Fiber penetration
- Premium mix (FTTH/5G)
- Multi-services

\* Four-year period spanning the end of 2019 to the end of 2023, excluding regulatory impact

Bubble size, relative revenue weight to total Group, average over the period.

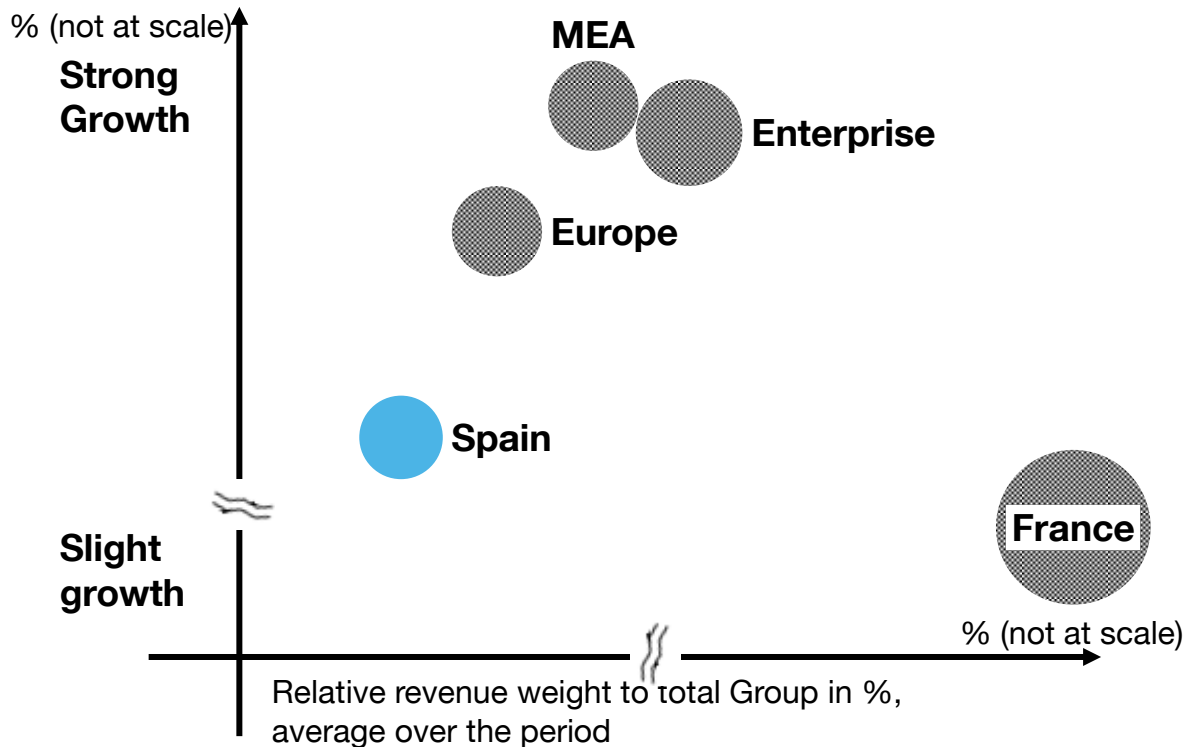
Bubble intervals are not at scale

**Fixed wholesale revenues in France should peak in 2020, with revenues in 2022 at approx. the same level as in 2019**



# Spain back to growth in 2021

## Revenue CAGR 2019-2023\*



Spain

Back to growth in 2021, thanks to

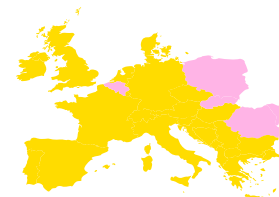
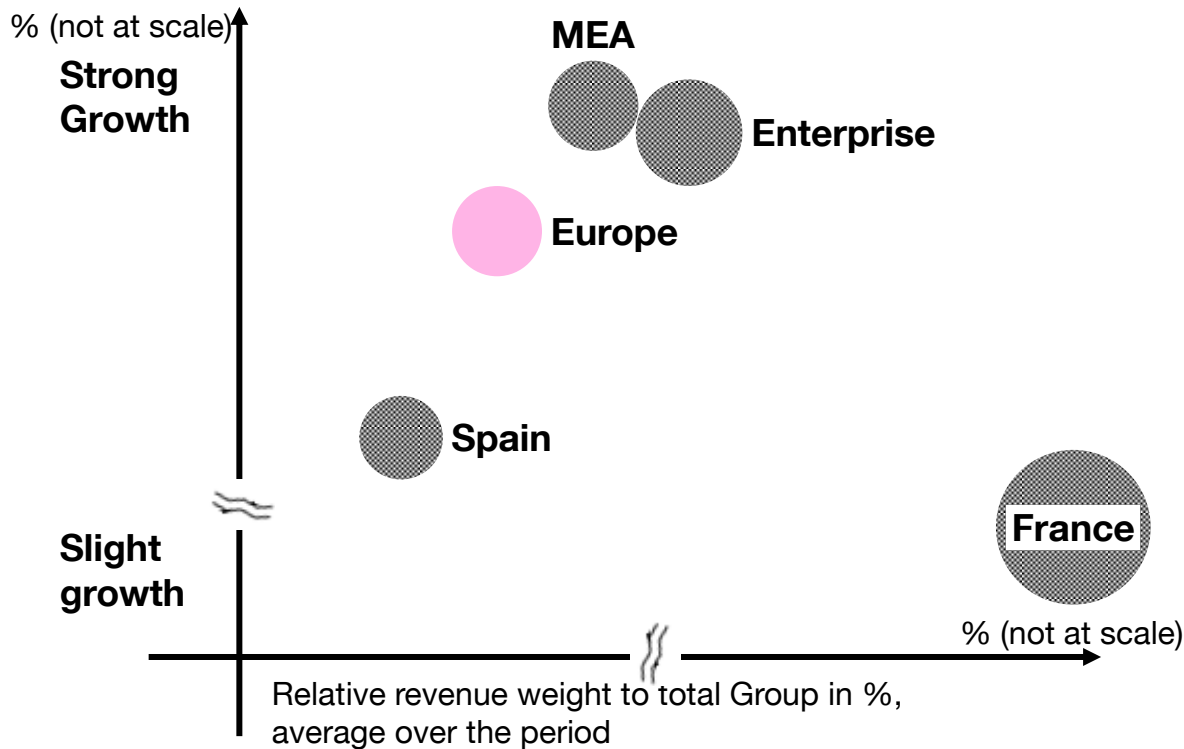
- Multi Brand portfolio
- B2B growth
- Wholesale\*\*

\* Four-year period spanning the end of 2019 to the end of 2023, excluding regulatory impact  
Bubble size, relative revenue weight to total Group, average over the period.  
Bubble intervals are not at scale

\*\* Wholesale excluding international carrier

# Europe will accelerate thanks to convergence

## Revenue CAGR 2019-2023\*



Europe

- Mobile Data
- Convergence
- B2B, ICT
- Multi-Services
- More for more

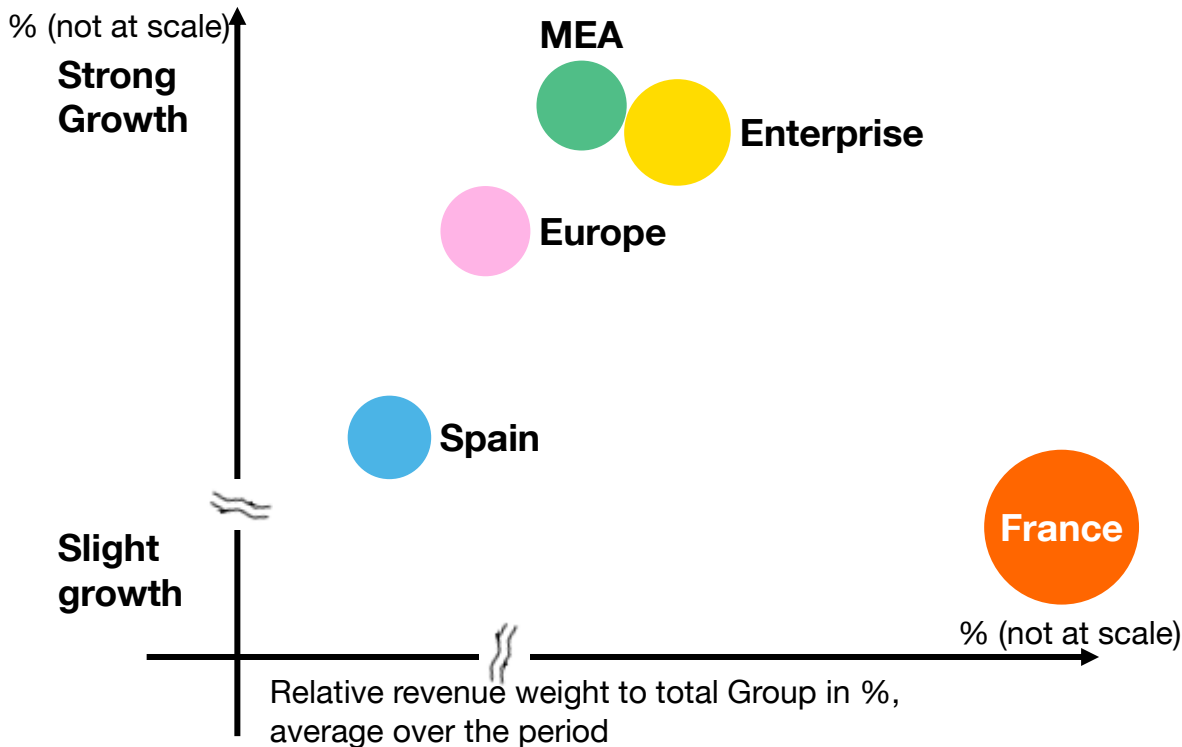
\* Four-year period spanning the end of 2019 to the end of 2023, excluding regulatory impact

Bubble size, relative revenue weight to total Group, average over the period.

Bubble intervals are not at scale

# Revenue growth ambitions shaped by our strategic choices

## Revenue CAGR 2019-2023\*



**Enterprise:** high single digit in IT & IS

**MEA:** around +5%

**France:** slight growth

**Spain:** back to growth in 2021

**Europe:** will accelerate thanks to convergence

\* Four-year period spanning the end of 2019 to the end of 2023, excluding regulatory impact

Bubble size, relative revenue weight to total Group, average over the period.

Bubble intervals are not at scale

# Cost efficiency

Our track record shows that greater efficiency is a key focus for us



## Efficiency initiatives

**€3.5bn**

Gross saving over  
2015-2018

o/w €2.7bn opex



**Lean Capex**



## Deeper transformation

**Orange Polska .one**

**-14%**

Indirect cost net savings  
over 2016-2018 (in PLN)\*

**Orange France simplified  
organisation**

**From 9 to 5 divisions**

In 12 months

**ATKearney**

## Focus on benchmark

**2018 Benchmark campaign**

**Best in class:** Marketing & Product  
development

**Areas of improvement :** Customer  
management and IT



# New transformation cycle in France & Spain to improve efficiency



address environment challenges and maintain growth

Targets by 2023 compared to FY19 basis

## Digitalization

- Sales: 40% digital
- Care: 80% digital
- commercial interaction powered by AI: 75%

## Automation

- up to 40% economy in field ops & cust. service back-office through automation deployment

## Simplification

- -50% call rate
- 80% IT projects developed in agile mode (e.g. Scrum)



transform our way of working and increase EBITDAaL margin

Targets by 2023 compared to FY19 basis

## Digitalization

- x7 digital commercial acts
- -50% call rate

## Customer Experience

- 80% customer interactions with AI assistance
- -60% claims

## Leveraging Data

- >100 use cases
- x8 value to reach

## Cultural Change

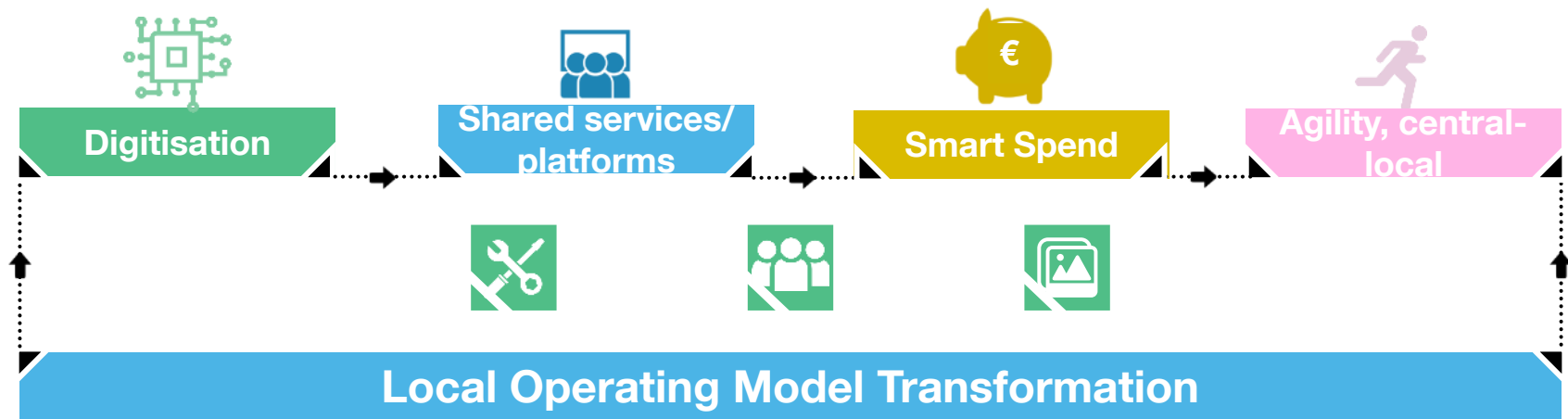
- Enhanced resources allocation and reactivity to new market conditions

€1bn net savings\* ambition by 2023

€1bn

Net savings 2023 vs 2019

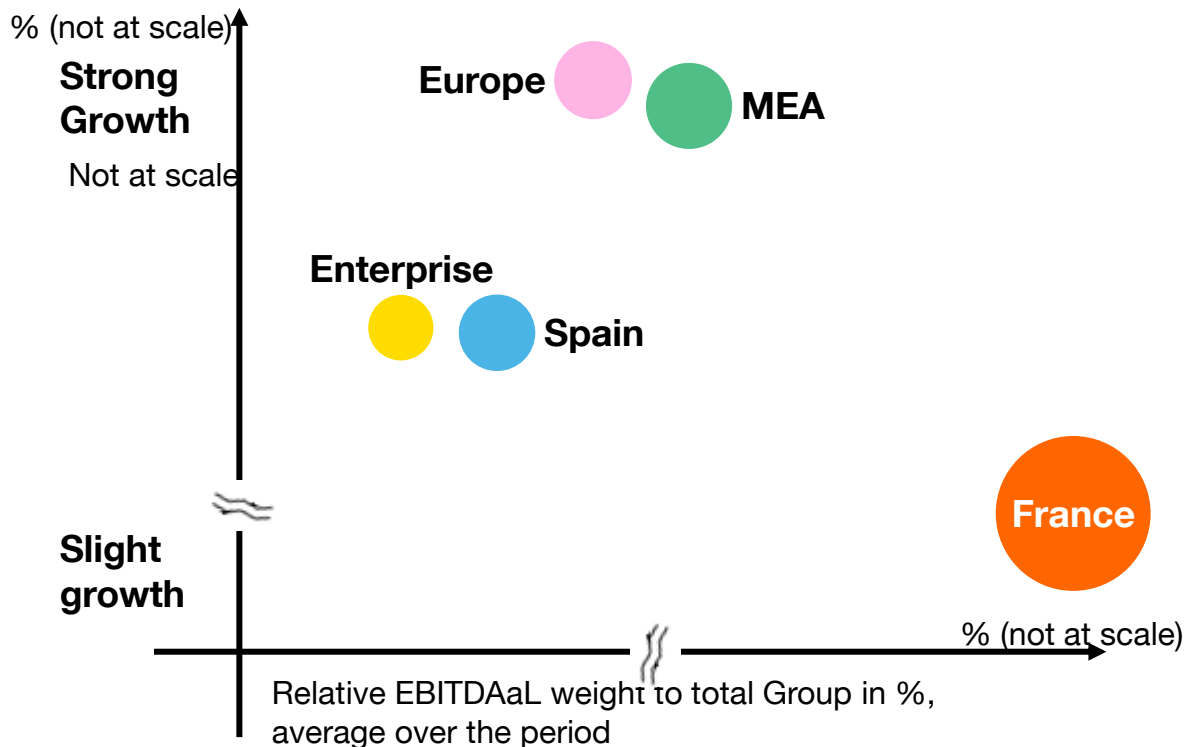
On an indirect cost base of € 14bn\* at FY 19 estimated



\* Estimated 14 bn€ Indirect cost base FY19 excluding MEA (fast growing), and OBS IT&IS labour and ITN costs (transforming its business model), out of a 29bn€ total cost base estimated in FY19

# Progressive acceleration of EBITDAaL from 2021

## EBITDAaL CAGR 2019-2023\*



**Enterprise:** back to growth by end 2021

**MEA:** high single digit figure

**France:** slight growth

**Spain:** above 200 bps increase in EBITDAaL margin

**Europe:** strong growth

\* Four-year period spanning the end of 2019 to the end of 2023, excluding regulatory impact

Bubble size, Relative revenue weight to total Group, average over the period.

Bubble intervals are not at scale

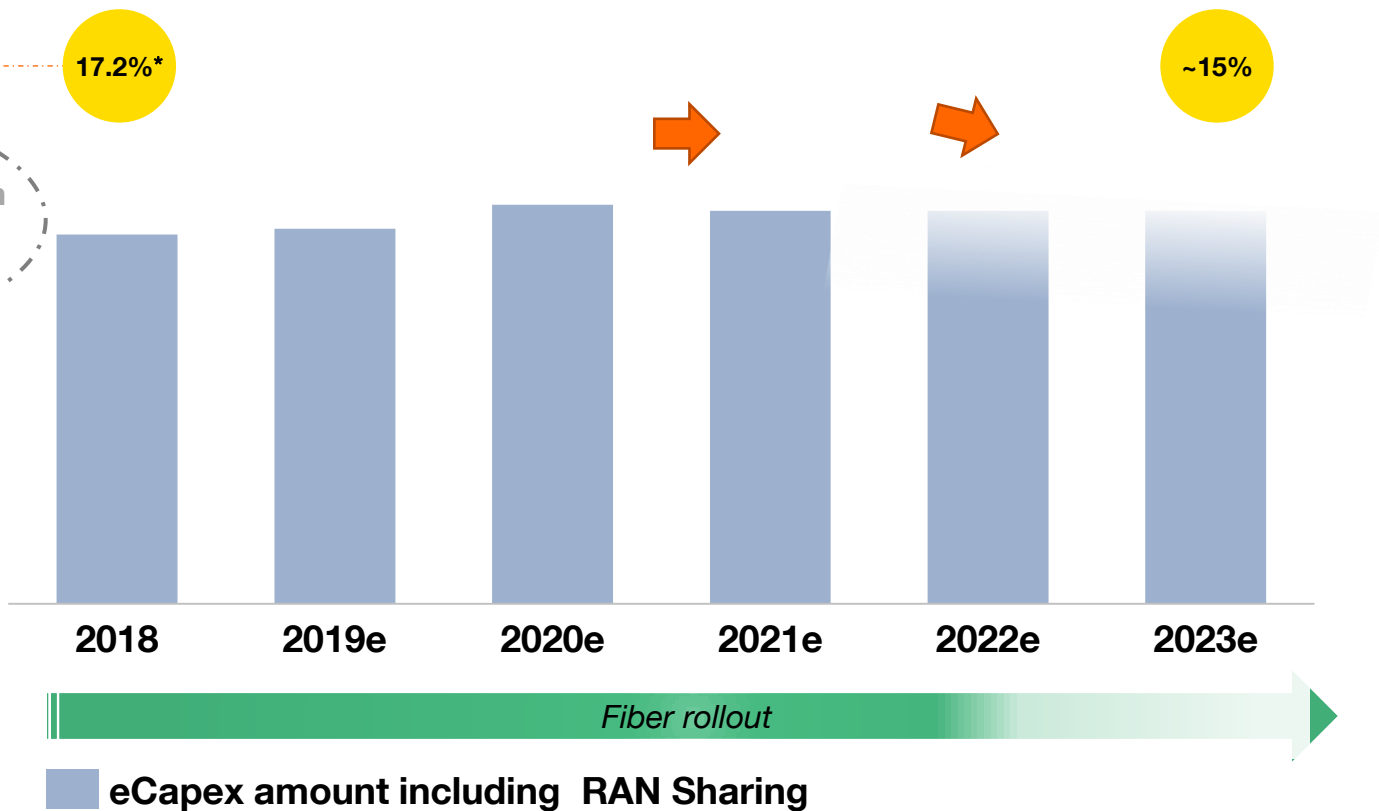
# eCAPEX/Sales moving from 17.2% to circa 15% in 2023

eCapex/Sales

17.2%\*

~15%

Guidance eCAPEX peak in 2018 confirmed, i.e. excluding RAN sharing



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# Short and mid term guidance

	2019e**	2020e	2021e	2022e	2023e
EBITDAaL, yoy	Slight growth	Flat +	CAGR: 2% to 3%		
eCAPEX incl. RAN sharing deals, yoy	circa + €50m	circa + €200m	Flat	Decrease	
Organic Cash Flow (telecom)*	> €2bn	> €2bn	Growth		circa 3.5 to €4bn
Net debt / EBITDAaL(telecom)	Around 2x in the medium term				
Dividend	Floor at 0.70€				

\*Organic cash flow : (i) Net cash provided by operating activities, minus (i) repayments of lease liabilities and on debts related to financed assets, and (ii) purchases and proceeds from sales of property, plant and equipment and intangible assets, net of the change in the fixed assets payables, (iii) excluding effect of litigations paid and telecommunication licences paid.

\*\* estimated