

Orange Polska

24 October 2024
3Q 2024 results

.Grow



Orange People



Forward looking statement

This presentation contains 'forward-looking statements' including, but not limited to, statements regarding anticipated future events and financial performance with respect to our operations. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like 'believe', 'expect', 'anticipate', 'estimated', 'project', 'plan', 'pro forma', and 'intend' or future or conditional verbs such as 'will', 'would', or 'may'. Factors that could cause actual results to differ materially from expected results include, but are not limited to, those set forth in our Registration Statement, as filed with the Polish securities and exchange commission, the competitive environment in which we operate, changes in general economic conditions and changes in the Polish, American and/or global financial and/or capital markets. Forward-looking statements represent management's views as of the date they are made, and we assume no obligation to update any forward-looking statements for actual events occurring after that date. You are cautioned not to place undue reliance on our forward-looking statements.

Highlights & Business review

Liudmila Climoc
Chief Executive Officer



Solid 3Q'24 commercial performance and financial results



Consistent commercial momentum

- Good pace of net customer additions and ARPO growth in all key telecom services
- Challenging environment on the business market



Solid financial results

- Strong revenue from core telecom services offset by decline of low margin equipment and energy resale
- 3% yoy EBITDAaL growth supported by strong performance of core business



New strategic developments

- Wide opening of wholesale access to 2.5m HH on our FTTH network in deregulated areas lowers overbuild risk
- 700/800MHz spectrum auction: consultations launched with starting price above benchmarks

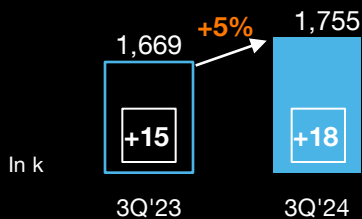


3Q'24 commercial performance sustained **good balance between volume and value growth**



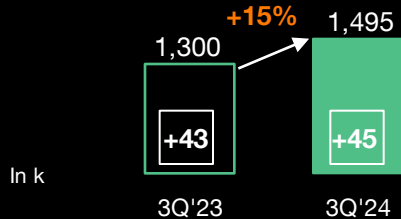
PLN 126.0 **Convergence ARPO +5.0% yoy**

Higher convergence net customer additions



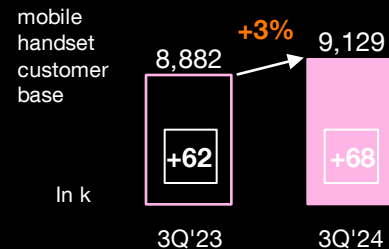
PLN 66.8 **Fixed broadband-only ARPO +3.5% yoy**

Good fibre customer base growth despite intensive competition



PLN 30.3 **Mobile-only handset ARPO +1.6% yoy**

Solid net customer additions driven by strong B2C








net customers additions

Financial review

Jacek Kunicki
Chief Financial Officer



Solid 3Q/9M'24 financial results

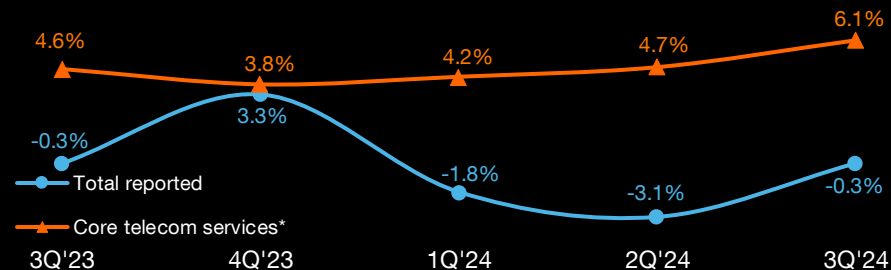
	in PLNm	3Q'24	yoy	9M'24	yoy	
	revenues	3,105	-0.3%	9,309	-1.8%	<ul style="list-style-type: none"> Growth rate of core telco services accelerated (+6.1% yoy), helping to stabilise top line in 3Q
	EBITDAaL	867	+3.1%	2,520	+3.9%	<ul style="list-style-type: none"> Strong margin from core business Major headwinds from CPI and energy resale
	% of revenues	27.9%	+0.9pp	27.1%	+1.5pp	
	net income	254	+7.2%	712	-4.6%	<ul style="list-style-type: none"> 3Q driven by strong EBITDAaL 9M EBITDAL growth offset by higher depreciation and timing of real estate sales
	eCAPEX	460	+26%	1,134	+26%	<ul style="list-style-type: none"> Full pace of 5G rollout and phasing of proceeds from sale of real estate
	organic cash flow	253	-40%	664	-22%	<ul style="list-style-type: none"> High cash coming from EBITDAaL growth Peak of working capital in 3Q as compared with a reduction a year ago

3Q revenue stable yoy with strong growth from core telecom services

- 1 Core telecom services*** (+6.1% yoy)
Strong performance driven mainly by customer base and ARPO growth in B2C
- 2 IT&IS** (+8% yoy)
High demand for bulk SMS service while ICT revenue continue to reflect weak market demand
- 3 Equipment sales** (-7% yoy)
Higher volumes offset by lower unit prices (different mix of handsets sold)
- 4 Orange Energia** (-39% yoy)
Due to market volatility and regulatory pressure on prices

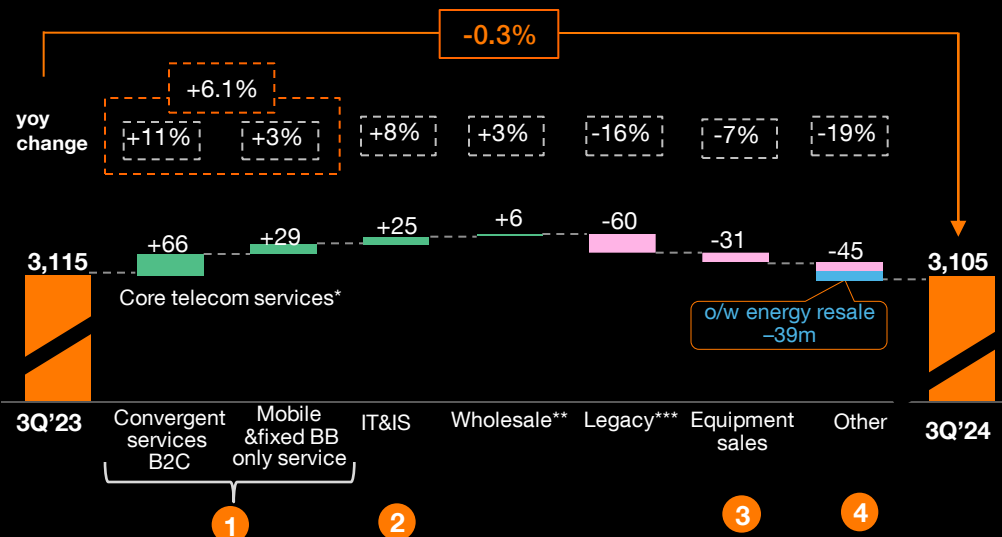
Revenue evolution

(yoy change in %)



Revenue evolution breakdown

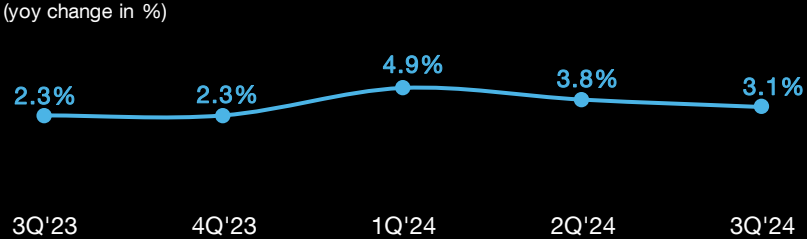
in PLNm



*convergence, mobile-only and broadband-only **wholesale excluding non-fibre fixed wholesale and interconnect, ***legacy: narrowband only, non-fibre fixed wholesale and interconnect revenues

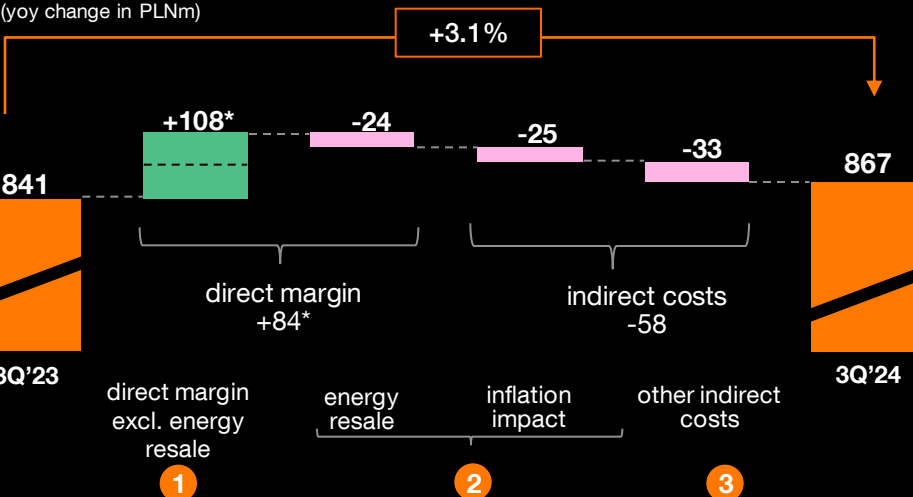
3Q EBITDAaL +3.1% yoy with strong growth of margin from core business

EBITDAaL evolution



- 1 Solid and improving performance of direct margin from core business (+PLN 55m yoy ex. one-off*)
- 2 Major headwinds from CPI and energy resale
- 3 Includes higher A&P costs to boost our commercial activity

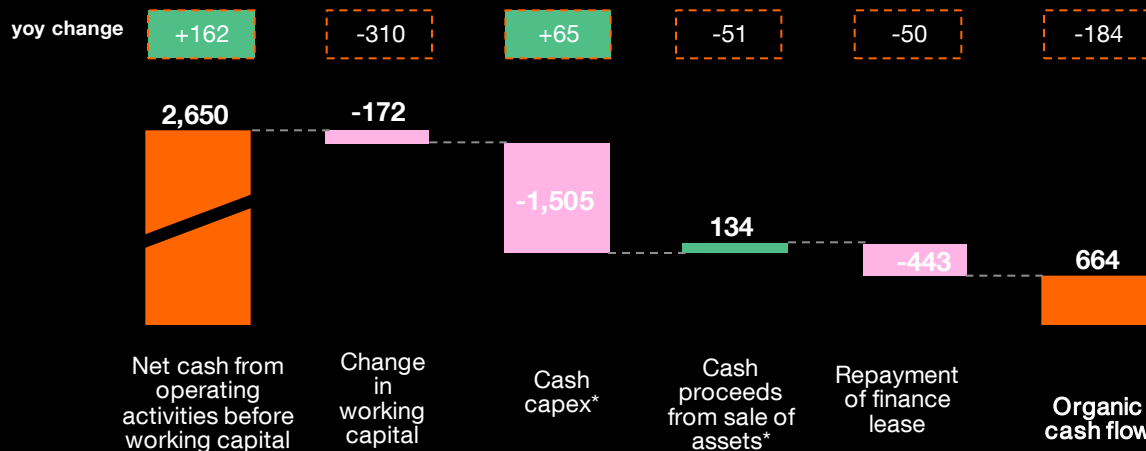
EBITDAaL evolution breakdown



* direct margin in 3Q 24 includes PLN +53m accounting one-off related to capitalised connectivity costs from prior periods

Solid 9M Organic Cash Flow and balance sheet

Organic Cash flow evolution breakdown in 9M 2024 in PLNm



* Cash capex reduced by PLN 12m of cash proceeds from sale of fibre network assets to FiberCo (excluded from cash proceeds from sale of assets)

Net debt

in PLNm



OCF evolution mainly reflects:

- EBITDAaL growth
- increase of working capital in 9M'24 linked with ICT projects and higher capitalised contract cost

- PLN 630m dividend paid in July
- Post refinancing 67% of debt maturing in 2026

Summary

Liudmila Climoc
Chief Executive Officer



Summary



Solid commercial performance and financial results in 9M on track with full-year outlook



In 4Q full concentration on the highest commercial season

5G

Focus on new 5G spectrum acquisition process

2024 guidance reminder

Revenues yoy

EBITDAaL yoy

eCAPEX

2024

flat/low single digit decline

low-to-mid single digit growth

PLN 1.7-1.9bn

Q&A

Appendix

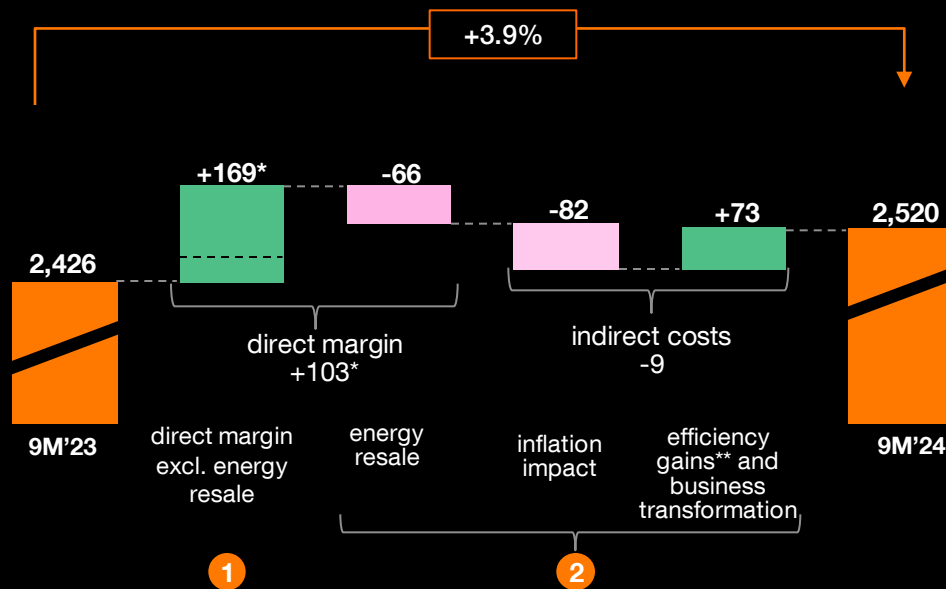
EBITDAaL evolution breakdown in 9M'2024

EBITDAaL evolution breakdown in 9M

(yoy change in PLNm)

- 1 Solid and consistent performance of direct margin from underlying business
- 2 Cost transformation & efficiency initiatives** compensate headwinds from CPI and energy resale

As a result growth of margin from underlying business flows through to EBITDAaL growth



* direct margin in 9M 24 includes PLN +53m accounting one-off related to capitalised connectivity costs from prior periods

** mainly margin from network rollout for the FiberCo JV (other operating income)

Reconciliation of operating performance measure to financial statements

Disclosures on performance measures have been presented in the Note 2 to Condensed IFRS Quarterly Consolidated Financial Statements of the Orange Polska Group for the 3 months ended 30 September 2024 (available at <https://www.orange-ir.pl/results-center/>)

<i>in PLNm</i>	3Q 2024	9M 2024	3Q 2023	9M 2023
Operating income	370	1,079	377	1,112
Less gains on disposal of fixed assets	-11	-75	-11	-125
Add-back of depreciation, amortisation and impairment of property, plant and equipment and intangible assets*	522	1,535	494	1,483
Add share of loss of joint venture adjusted for elimination of margin earned on asset related transactions with joint venture	23	105	13	42
Interest expense on lease liabilities	-37	-112	-36	-102
Adjustment for the impact of employment termination programs and reorganisation costs	-	-12	4	16
EBITDAaL (EBITDA after Leases)	867	2,520	841	2,426

*Includes impairment of rights of perpetual usufruct of land historically recognised as property, plant and equipment, subsequently reclassified to right-of-use assets (PLN 7m in 9M'23 and 1 m in 9M'24).

Details of bottom line evolution in 3Q and 9M 2024

in PLNm	3Q'24	3Q'23	Change	9M'24	9M'23	Change
EBITDAaL	867	841	+26	2,520	2,426	+94
Gains on disposal of assets	11	11	0	75	125	-50
D&A of PPE and intangible assets*	-522	-494	-28	-1,535	-1,483	-52
Add-back interest expense on lease liabilities	37	36	+1	112	102	+10
Adjustment for the impact of employment termination programs and reorganisation costs	0	-4	+4	12	-16	+28
Share of profit of joint venture adjusted for elimination of margin earned on asset related transactions with joint venture	-23	-13	-10	-105	-42	-63
Operating income	370	377	-7	1,079	1,112	-33
Net financial costs	-59	-87	+28	-203	-194	-9
<i>o/w foreign exchange loss/gain</i>	<i>9</i>	<i>-22</i>	<i>+31</i>	<i>10</i>	<i>1</i>	<i>+9</i>
Income tax	-57	-53	-4	-164	-172	+8
Net income	254	237	+17	712	746	-34

Includes impairment of rights of perpetual usufruct of land historically recognised as property, plant and equipment, subsequently reclassified to right-of-use assets (PLN 7 m in 9M'23, and 1 m in 9M'24).

Details of organic cash flow evolution in 3Q and 9M 2024

in PLNm	3Q'24	3Q'23	Change	9M'24	9M'23	Change
Net cash flow from operating activities before change in working capital	904	852	+52	2,650	2,488	+162
Change in working capital*	-44	48	-92	-172	138	-310
Net cash flow from operating activities	860	900	-40	2,478	2,626	-148
CAPEX	-481	-389	-92	-1,280	-1,138	-142
Change in CAPEX payables**	0	9	-9	-239	-507	+268
Cash proceeds from sale of fixed assets	14	25	-11	146	259	-113
Repayment of lease liabilities	-140	-121	-19	-443	-393	-50
Adjustment for payment for costs related to acquisition, disposal and integration of subsidiaries	-	-	-	2	1	+1
Organic cash flow	253	424	-171	664	848	-184

* Does not include change in the working capital related to capex which is presented separately

**Includes exchange rate effect on derivatives economically hedging capital expenditures, net

Glossary (1/2)

4G/LTE	Fourth generation of mobile technology, sometimes called LTE (Long Term Evolution)
5G	Fifth generation of mobile technology, which is the successor to the 4G mobile network standard
Adoption rate	Fibre customer base (retail + wholesale)/ Total households connectable to our fibre network (own and 3rd parties)
ARPO	Average Revenue per Offer
AUPU	Average Usage per user
Churn rate	The number of customers who disconnect from a network divided by the weighted average number of customers in a given period
Convergent services	Revenues from B2C convergent offers. A convergent offer is defined as an offer combining at least a broadband access (xDSL, FTTH or wireless for fixed) and a mobile voice contract with a financial benefit. Convergent services revenues do not include equipment, incoming and visitor roaming revenues
Core telecom services	Convergence, mobile-only and broadband-only services
EBITDAaL	EBITDA after leases, key measure of operating profitability used by management (for definition please refer to the Note 2 to IFRS Consolidated Financial Statements of the Orange Polska Group)
eCapex	Economic Capex, key measure of resources allocation used by management (for definition please refer to the Note 2 to IFRS Consolidated Financial Statements of the Orange Polska Group)
FBB	Fixed Broadband
Fibre	fixed broadband access network based on FTTH (Fibre To The Home) /DLA (Drop Line Agnostic) technology which provides the end user with speed of above 100Mbps

Glossary (2/2)

Fixed broadband-only services	Revenues from fixed broadband offers (excluding B2C convergent offers and equipment sales) including TV and VoIP services
FTE	Full time equivalent
FTR	Fixed termination rate
HHC (Households connectable) in fibre technology	Households where broadband access service based on fibre technology can be rendered
ICT	Information and Communication Technologies
Mobile-only services	Revenue from mobile offers (excluding consumer market convergent offers) and Machine to Machine (M2M) connectivity. Mobile only services revenue does not include equipment sales, incoming and visitor roaming revenue
MTR	Mobile termination rate
Wireless for fixed	fixed broadband cell-locked wireless access offered by Orange Poland for home/office zone with rich data packages
Organic Cash Flow	Organic Cash Flow- key measure of cash generation used by management (for definition please refer to the Notes 2 to IFRS Consolidated Financial Statements of the Orange Polska Group)
PPA	Power purchase agreement
ROCE	Return on capital employed = EBIT (ex. extraordinary items) / (Shareholder's Equity + Average net debt)