

Orange Polska

FY 2024 results

13 February 2025



.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.

Disclaimer

The financial information presented in this document has not been audited and therefore neither the Company nor its Directors or Officers accept responsibility for any errors, omissions or changes made between the unaudited and the audited financial information. The Company will publish audited financial statements with the auditors' report on 20 February 2025.

2024 Business highlights

Liudmila Climoc
Chief Executive Officer



2024 performance underscores the success of .Grow strategy



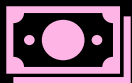
Solid commercial momentum confirmed by better customer perception (NPS#1)

- Strong performance in B2C
- Challenging environment on the enterprise market
- Wholesale commercial engine reinforced by wider fibre network opening



Important step up in connectivity leadership

- 5G network on c-band spectrum available for c.40% of Polish population
- Mobile access network renewal program 75% advanced
- Growth in fibre coverage and new quality standard with XGS-PON technology



Very solid financial results

- EBITDAaL +4.6% yoy driven by strong direct margin growth
- Net profit at >PLN 900m and Organic Cash Flow at c. PLN 1bn
- ROCE at 7.9% (vs 7.6% in 2023)



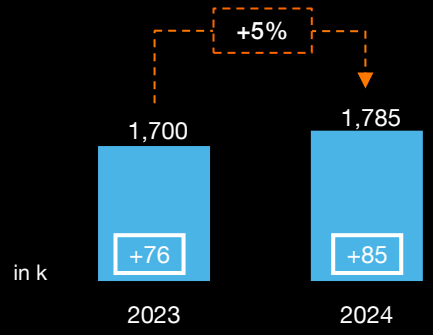
Core telecom services: good ARPO growth coupled with solid customer base expansion



PLN
124.3

Convergence ARPO +4.6% yoy (vs. +3.6% yoy in 2023)

Convergence customer base



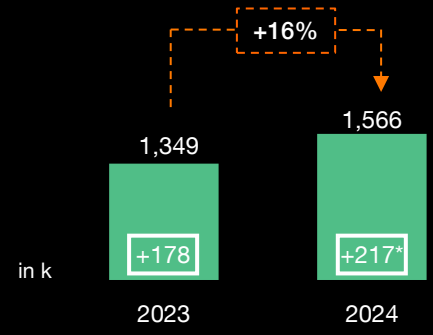
Convergence revenue growth accelerated in 2024 driven by solid customer base expansion and better ARPO growth



PLN
66.4

Fixed broadband-only ARPO +3.4% yoy (vs. +4.0% yoy in 2023)

Fibre customer base



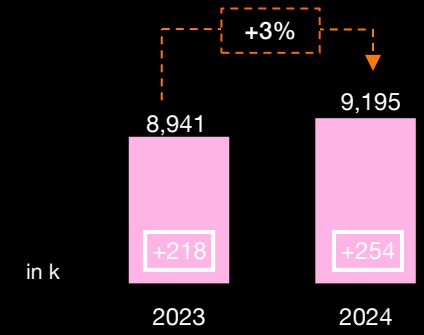
Fibre customer base +16% yoy as we expand footprint and cope well with intensified competition



PLN
29.9

Mobile-only handset ARPO +1.6% yoy (vs. +3.1% yoy in 2023)

Mobile handset customer base



Solid growth of mobile customer base driven by strong B2C and SOHO

□ net customers additions in k






* includes 42k non-organic growth (acquisition of local fibre operators)

2024 Financial review

Jacek Kunicki
Chief Financial Officer



Solid financial performance in 2024 across the board

	in PLNm	FY24	yoy	4Q'24	yoy	
	revenues	12,732	-1.8%	3,423	-2.0%	<ul style="list-style-type: none"> Strong growth of core telco services offset by decline in low margin energy resale and IT&IS (lower market demand & high comparable base)
	EBITDAaL	3,324	+4.6%	804	+6.8%	<ul style="list-style-type: none"> Very solid growth of direct margin
	% of revenues	26.1%	+1.6 pp.	23.5%	+1.9 pp.	<ul style="list-style-type: none"> Major headwinds from CPI and energy resale offset by margin on network rollout for FiberCo
	eCapex	1,822	+17%	688	+5.3%	<ul style="list-style-type: none"> Full pace of 5G rollout and fibre rollout from EU subsidised projects
	organic cash flow	985	-16%	321	-1.2%	<ul style="list-style-type: none"> High cash coming from EBITDAaL growth Increase in working capital requirement
	ROCE	7.9%	+0.3pp			<ul style="list-style-type: none"> Continued growth driven by improvement of operating profit and balance sheet discipline

2024 guidance achieved

	<u>2024 objectives</u>	<u>2024 results</u>
Revenues yoy	flat/low single digit decline	-1.8% ✓
EBITDAaL yoy	low-to-mid single digit growth	+4.6% ✓
eCapex	PLN 1.7-1.9 bn	PLN 1.8 bn ✓

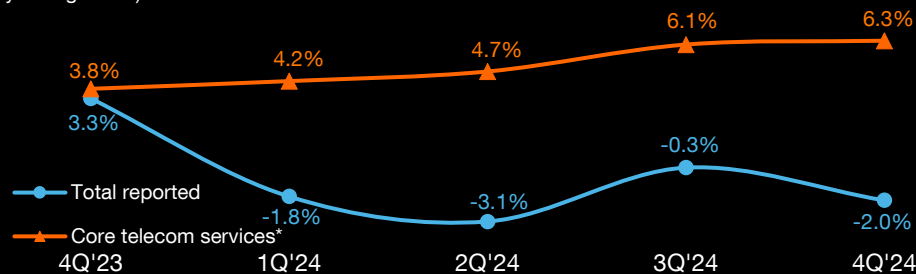
4Q revenue with strong growth from core telecom services and decline in IT&IS

4Q reflects:

- 1 Core telecom services*** (+6.3% yoy)
Strong performance driven by customer base and ARPO growth; improving growth in pre-paid
- 2 IT&IS** (-11% yoy)
Reflects lower market demand and high comparable base
- 3 Orange Energia** (-22% yoy)
Due to regulatory pressure on prices

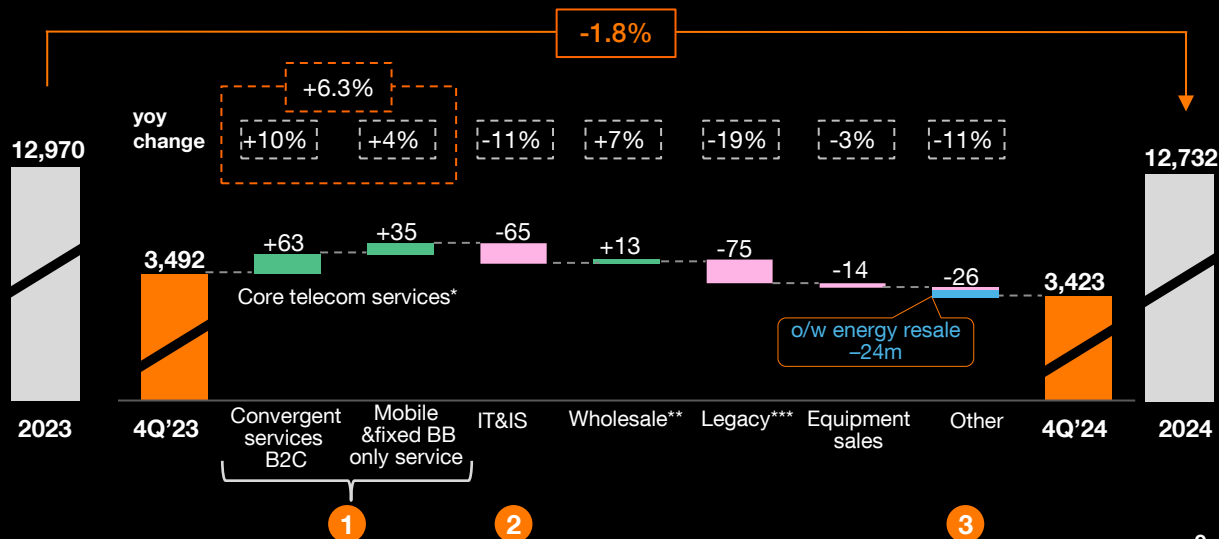
Revenue evolution

(yoy change in %)



Revenue evolution breakdown

in PLNm

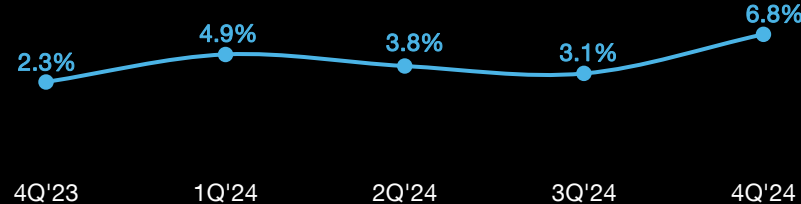


*convergence, mobile-only and broadband-only **wholesale excluding non-fibre fixed wholesale and interconnect, ***legacy: narrowband only, non-fibre fixed wholesale and interconnect revenues

4Q EBITDAaL +6.8% yoy with strong growth of margin from core business

EBITDAaL evolution

(yoy change in %)

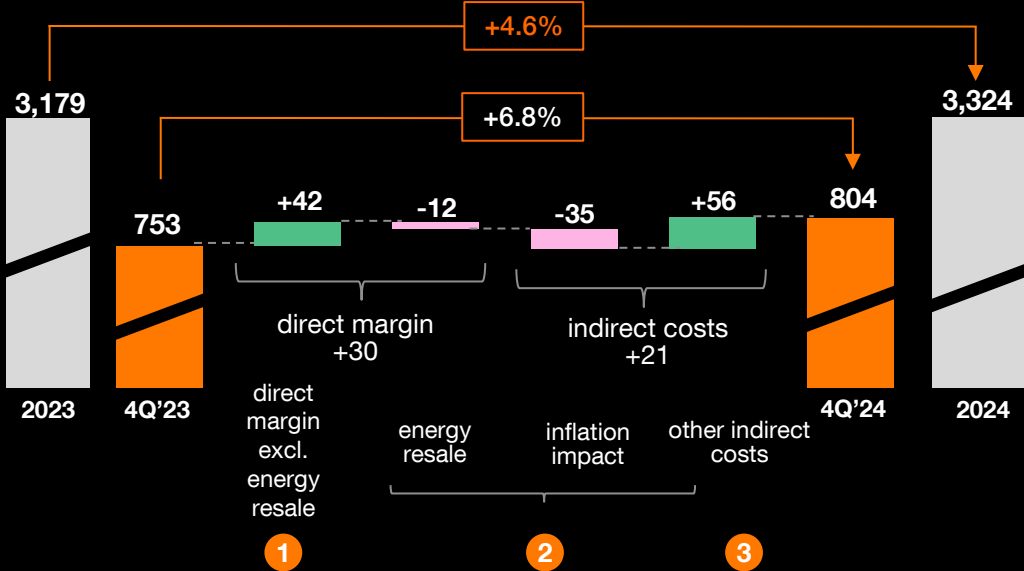


4Q reflects:

- 1 Solid performance of direct margin from core business (ex. energy resale)
- 2 Major headwinds from CPI and energy resale
- 3 Supported by higher margin from network rollout for FiberCo JV (visible in other operating income)

EBITDAaL evolution breakdown

(yoy change in PLNm)

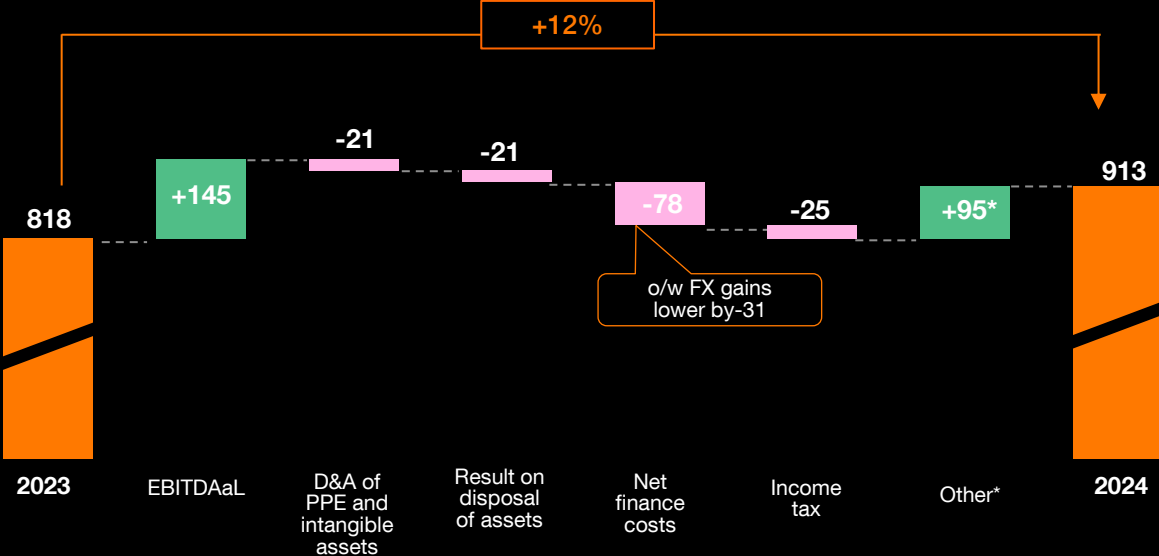


2024 net income +12% yoy due to rising EBITDAaL

Net income evolution mainly reflects:

- EBITDAaL growth
- Higher net financial costs due to increased interests on debt and high FX gains in 2023
- PLN 125m provision for Social Plan booked in 2023

Net income evolution in 2024
(yoy change in PLNm)



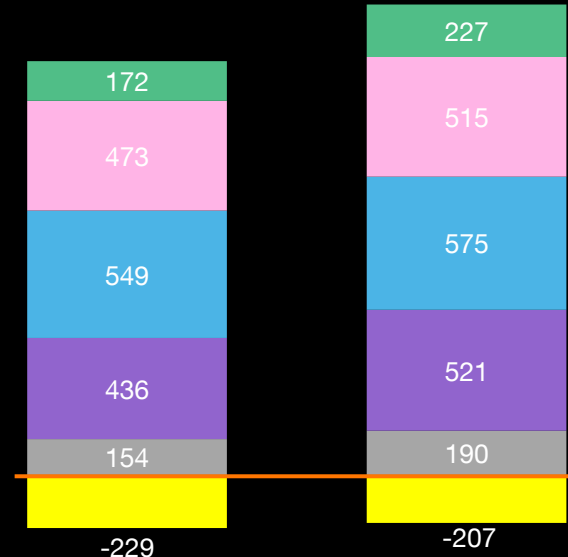
*o/w PLN 125m provision in 4Q 2023 for Social Plan for 2024-2025

2024 eCapex reflects full pace of 5G rollout

- Growth in **mobile** reflects full pace of 5G network rollout and RAN renewal
- **Fibre** growing due to network rollout within EU subsidised projects
- Growth in **IT systems & infrastructure** mainly reflects transformation projects
- Strong **real estate proceeds** but lower yoy due to exceptionally high level in 2023

Investment areas (in PLNm)

- Fibre net of disposed rollout to FiberCo
- Mobile network
- Fixed & core network
- IT Systems and Infrastructure
- Others incl. non-fibre CPE
- Proceeds from assets disposal excl. assets disposed to FiberCo



eCapex

1,555

1,822

2023

2024

c.PLN 1bn of organic cash flow and sound balance sheet structure

OCF evolution reflects:

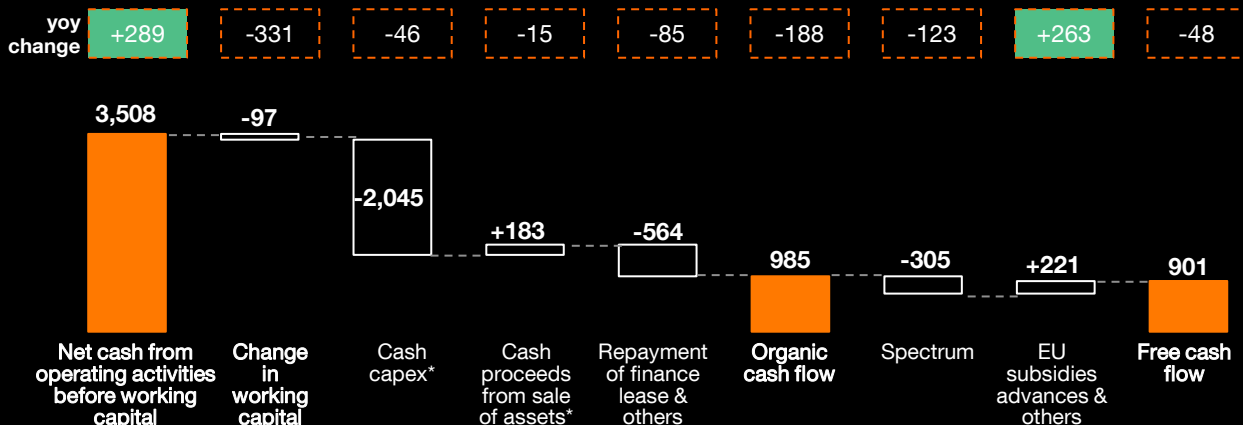
- c.5% EBITDAaL growth
- increase in **working capital** linked to higher capitalised contract costs (vs a reduction in 2023**)
- higher **leasing payments** mainly due to CPI indexation of rental contracts

FCF reflects:

- partial payment for c-band **5G spectrum** (minority part paid in 2023)
- advances for **EU subsidies** (fibre rollout in rural areas) to be utilised in 2025-26

Cash flow evolution breakdown in FY 2024

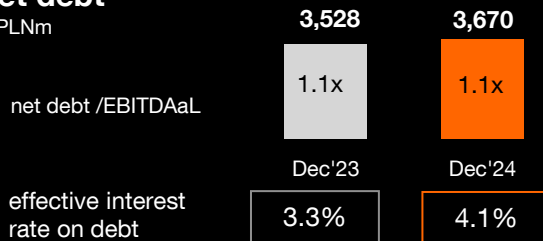
in PLNm



* Cash capex reduced by PLN 14m of cash proceeds from sale of fibre network assets to FiberCo (excluded from cash proceeds from sale of assets)

Net debt

in PLNm



** working capital reduction in 2023 due to extension of instalment receivables factoring and prepayment from FiberCo JV

.Grow summary

Liudmila Climoc
Chief Executive Officer

Jolanta Dudek
Deputy CEO in charge of the consumer market

Bożena Leśniewska
Deputy CEO in charge of the business market

Maciej Nowohoński
MB member in charge of wholesale market

Jacek Kunicki
Chief Financial Officer





Key achievements of .Grow strategy 2021-2024

Value growth via balanced ARPO and customer base uplift (revenues* **+25%**)

c.+60%

IT/IS revenues outperforming the market

c.+60% wholesale revenue as we monetise our infrastructure**

Acquisition of **5G spectrum** and start of network rollout

-78% CO2 reduction (vs. 2015 in Scope 1+2)

25% (vs.14% in 2020) Share of digital in sales

470k beneficiaries of our digital inclusion programmes in 2021-2024

Cost discipline and efficiency gains



Orange People

>90% employees engaged in comprehensive upskilling programme

* convergence, mobile-only and broadband-only

** excluding non-fibre fixed wholesale and interconnect (legacy)

.Grow was fuelled by all three core business engines



B2C

Convergence strategy supported by growing fibre reach and value strategy



B2B

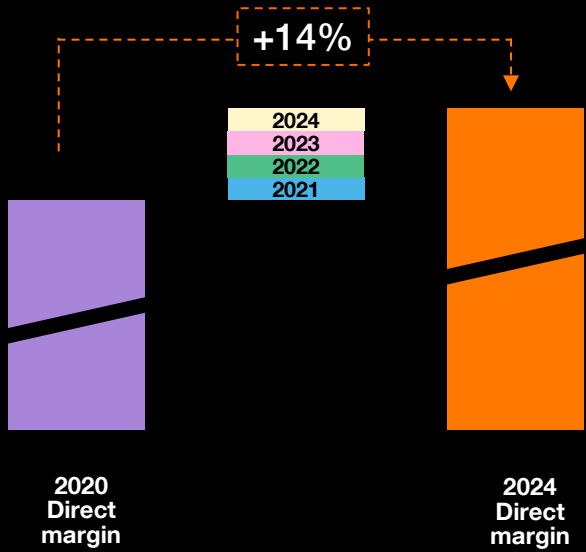
Strong position in telco services complemented by wide portfolio of IT/IS competencies



Wholesale

Capitalising on the growing demand for data transmission to monetise our infrastructure

Direct margin growth drives EBITDAaL expansion





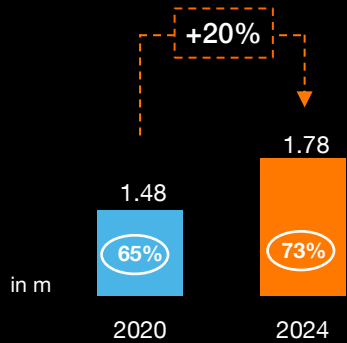
Convergence as a bedrock of our commercial strategy for households



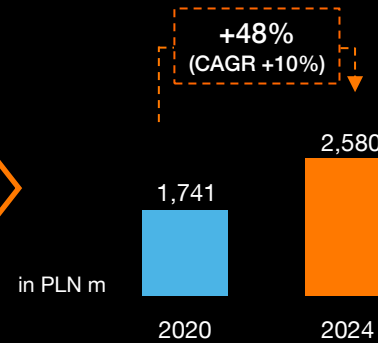
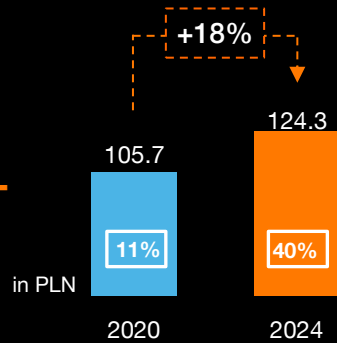
Customer base fuelled by fibre expansion and our attractive offers ...

...coupled with ARPO growth driven by our value strategy and growing customers needs....

...translated into strong convergence revenue growth



+



Less churn with convergence (average churn difference for 2024)



-3pp*

Customer base target of >20% growth met ✓

ARPO target of >12% growth met ✓

Convergence revenues target of >8% CAGR met ✓

○ Penetration of convergence in B2C FBB customer base

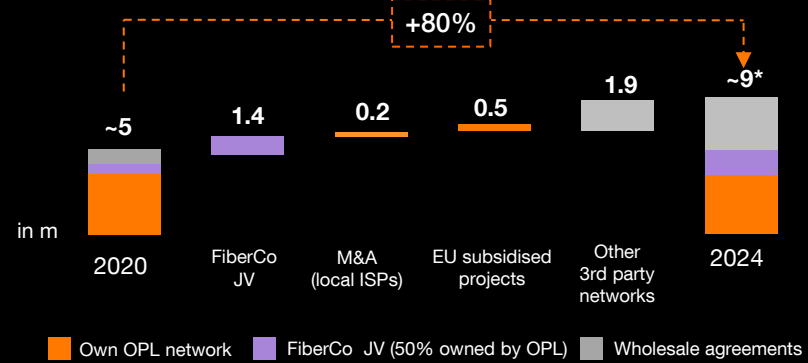
□ Share of higher speed fibre offers in customer base

*convergent customers vs mono FBB B2C customers (for ADSL, VDSL, Fibre)

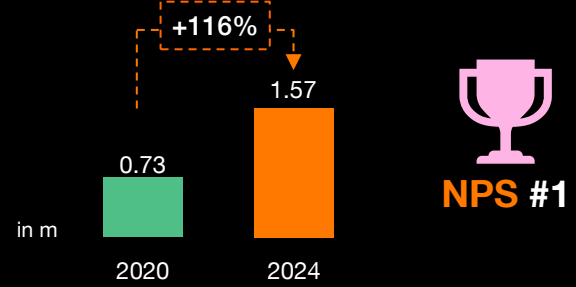


Fibre connectivity is a key driver of value

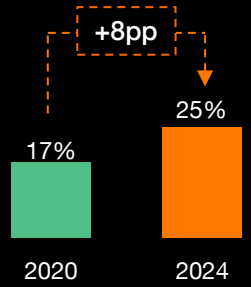
Fibre network* expanded mainly by FiberCo JV and wholesale agreements



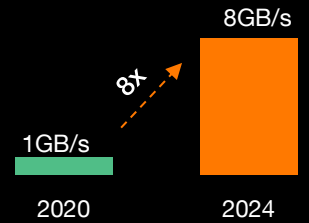
Retail customer base more than doubled despite intensive competition



Improving monetization of OPL fibre network despite fierce competition (OPL own & FiberCo JV networks)



Maximum speed in the top offer**



2024 #1 ranking* in

www.speedtest.pl

in FTTH technology

*target of reaching 7-8m households footprint met

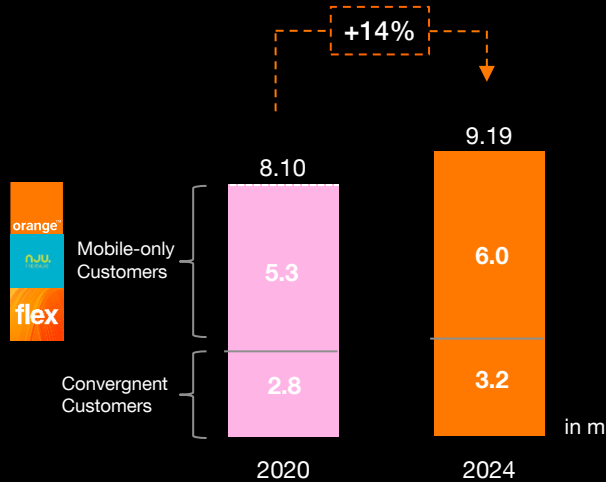
** top speed offer available on part of OPL network (8GB/s based on XGSPON technology available to >2.5m HHC)

*** Orange Polska was ranked #1 in download speed for FTTH broadband in 2024 SpeedTest.pl ranking

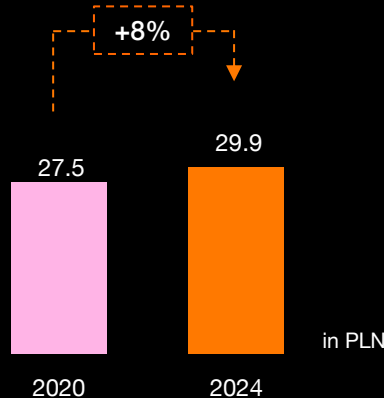


Solid **mobile** performance on a mature market

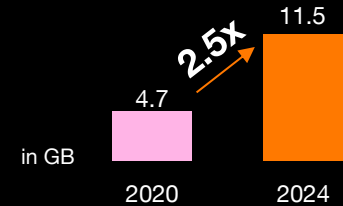
Consistent mobile handset customer base growth on mature market



Mobile-only handset ARPO reflects value strategy and growing share of b-brands



Blended data AUPU



4.5x growth of average data download speed

Data download speed



2024 **#1** ranking*
SPEED TEST
www.speedtest.pl
in 5G internet

* Orange Polska was ranked #1 in download speed for 5G internet in 2024 in SpeedTest.pl ranking



B2B executed .Grow ambitions confirming the leadership position on telco market and...



Telco services key revenue growth drivers



Mobile +26%:
consistent growth of customer base and ARPO (+11%)

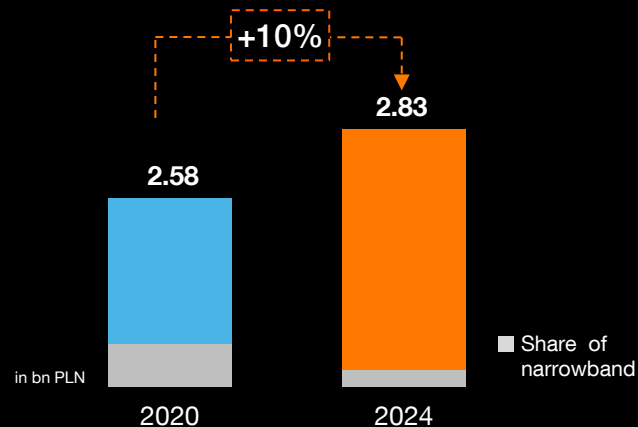


Fixed broadband +20%:
growing share of fibre and higher ARPO (+11%)



Data transmission +3%:
shifting from legacy to fibre and SD WAN while enhancing market leadership

B2B telco services revenue +10% despite 40% drop in narrowband





...and B2B became **TOP3 integrator and digital services provider in Poland**



+~**PLN 600m IT&S** revenues

driven by expansion of E2E integration and digital solutions for business transformation:



Significant acceleration in **cybersecurity** (+**PLN 107m**)

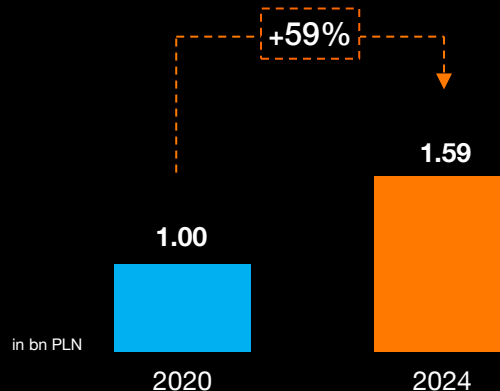


Customised **software development** empowered by Cloud, Data and AI solutions (+**PLN 220m**)



IoT for industry and smart green solutions expansion (150 smart cities vs 80 in 2020)

IT&S revenue growth



12%

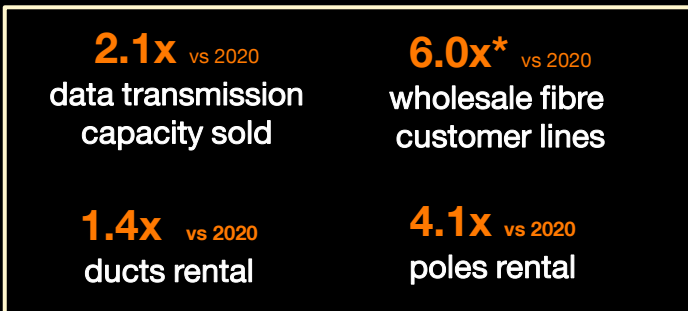
IT&S revenue CAGR, vs .Grow target of 9-10%



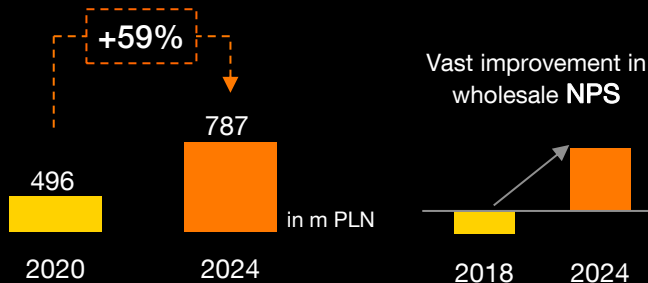
Wholesale maximises monetisation of infrastructure



Our **infrastructure assets** meet growing demand from other operators



Wholesale revenues**

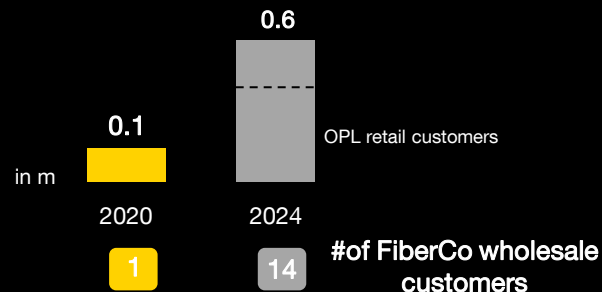


Significant growth of FiberCo JV

FiberCo network rollout on track with business plan



FiberCo customer lines



* target of >6x increase met **wholesale revenues excluding non-fibre fixed wholesale and interconnect (legacy)

*** Footprint contributed to the JV by OPL upon its creation in 2021



Transformation brings new business opportunities and helps to mitigate cost inflation

Increasing share of digital sales with My Orange App as a key driver

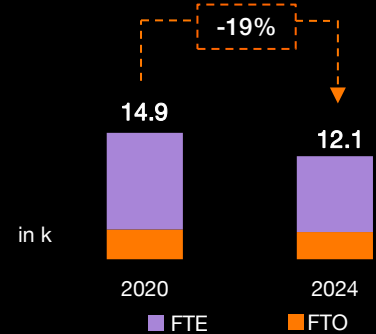
25%

share of digital in sales
(vs 14% in 2020)

Robust process transformation across key areas

- 100% of POS with paperless service
- less costs thanks to FTTH service self-installation
- Progressive decommissioning and sale of unused copper cables
- Increased efficiency of network investments

Workforce evolution



Significant advancement in robotic process automation



>1,000

robots built
in 2021-24

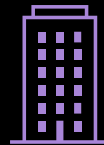
Cash-in and cost savings resulting from sale of underutilised real estate

616

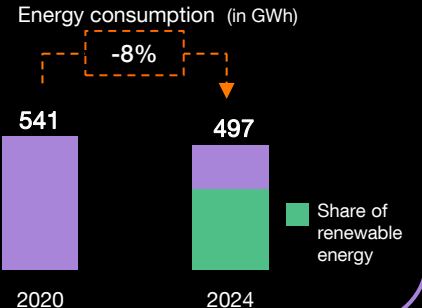
m PLN
proceeds
in 2021-24

231

of
transactions



Cost savings and less CO2 emissions thanks to PPAs



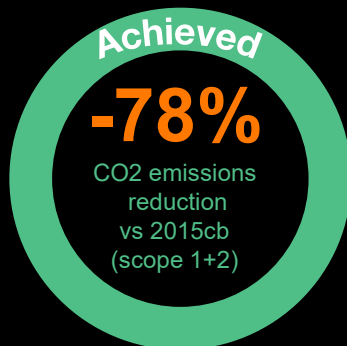


We delivered on our ESG commitments



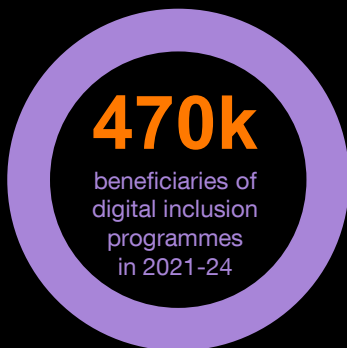
Environment

.Grow target: **~65%** CO2 emission reduction till 2025*



Digital inclusion

Large education and social programmes for children, teachers and seniors



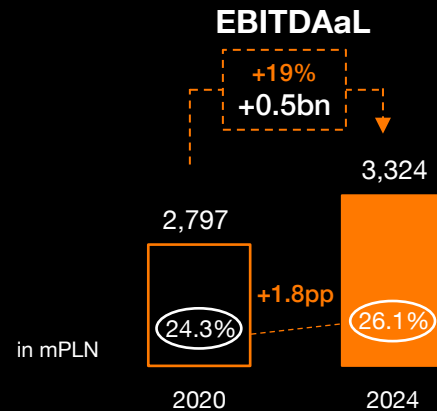
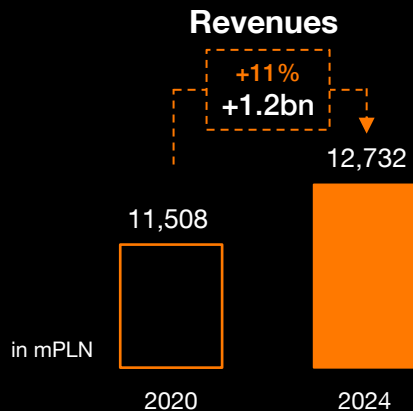
Diversity

.Grow target: **35%** women in senior management positions*



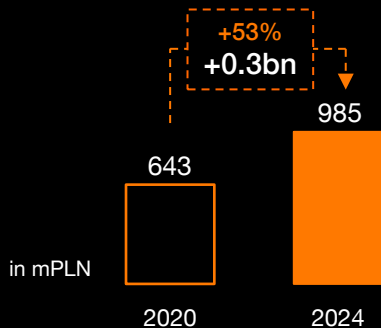


Value creation underscored by **> PLN 500 mln EBITDAaL** growth

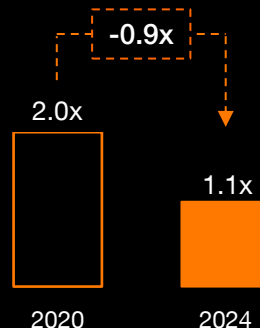


○ EBITDAaL margin

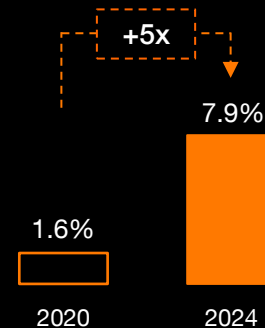
Organic Cash Flow



Net debt /EBITDAaL



ROCE





.Grow financial ambitions met

		Mid-term guidance (2021 to 2024)*	2021-24 performance
	Revenues	low single digit growth CAGR	+2.6% CAGR ✓
	EBITDAaL	low-to-mid single growth CAGR	+4.4% CAGR ✓
	eCapex (PLN bn)	1.7 to 1.9 yearly average over the period	1.71bn (avg 2021-24) ✓
	ROCE	increase 3-4x (vs. 1.6% in 2020)	7.9% in 2024 (5x increase) ✓
	Net debt / EBITDAaL	we aim to keep safe balance sheet, with financial leverage in the range 1.7-2.2x**	1.1x (at the end of 2024)

* As presented in .Grow strategy in June 2021

** Long-term prospects for net debt/EBITDAaL

2025 outlook

Liudmila Climoc
Chief Executive Officer

Priorities for 2025



Further commercial growth in core telecom services



Growth of ICT despite still fragile environment



Securing leadership in connectivity infrastructure



Launch of the new mid-term strategy (announcement on 19 March)

2025 guidance

	2024 results	<u>2025 guidance</u>
Revenues yoy	-1.8%	low single digit growth
EBITDAaL yoy	+4.6%	low single digit growth
eCAPEX	PLN 1.8 bn	PLN 1.8-1.9 bn

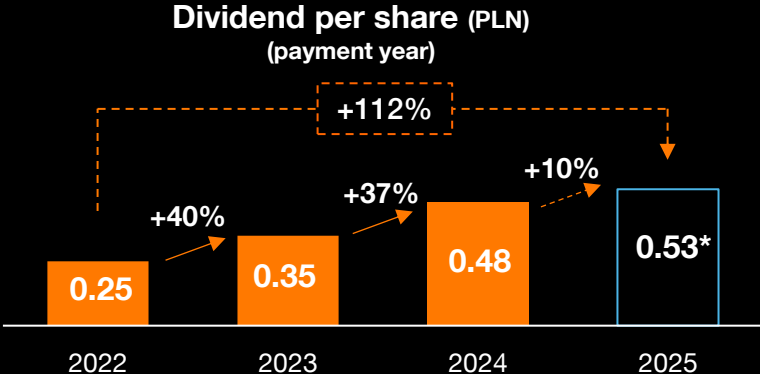
We are committed to sustainable shareholders' remuneration



PLN 0.53

per share

to be paid in 2025 from 2024 profits*



* Management recommendation, subject to approval of General Meeting of Shareholders

Q&A

Appendix

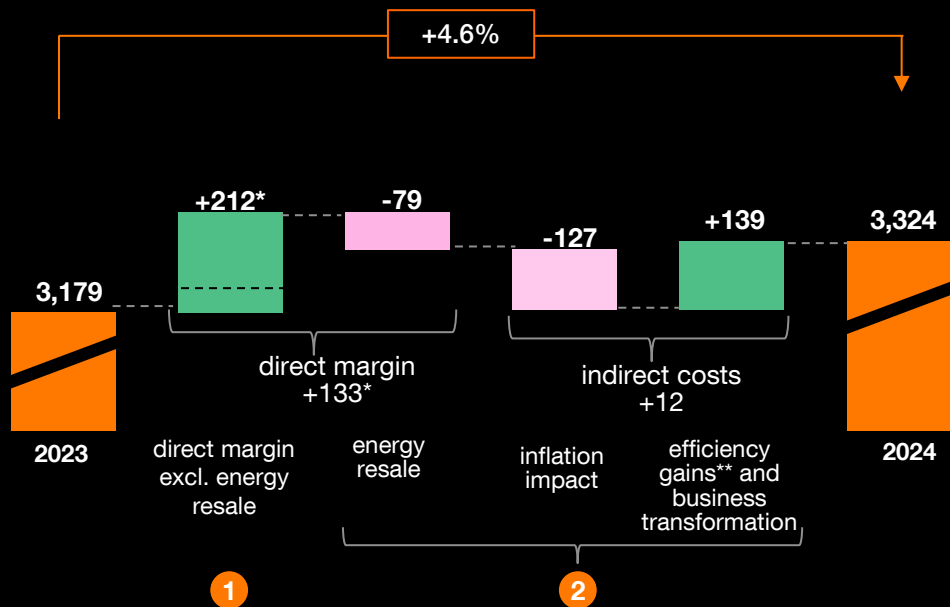
EBITDAaL evolution breakdown in 2024

EBITDAaL evolution breakdown in 2024

(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 2024 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

<i>in PLNm</i>	4Q 2024	FY 2024	4Q 2023	FY 2023
Operating income	340	1,419	109	1,221
Less gains on disposal of fixed assets	-38	-113	-9	-134
Add-back of depreciation, amortisation and impairment of property, plant and equipment and intangible assets*	486	2,021	517	2,000
Add share of loss of joint venture adjusted for elimination of margin earned on asset related transactions with joint venture	47	152	20	62
Interest expense on lease liabilities	-36	-148	-36	-138
Adjustment for the impact of employment termination programs and reorganisation costs	2	-10	150	166
Adjustment for the costs related to acquisition, disposal and integration of subsidiaries	3	3	2	2
EBITDAaL (EBITDA after Leases)	804	3,324	753	3,179

*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 2023 and PLN 1m in 2024).

Details of bottom line evolution in 4Q and 2024

in PLNm	4Q'24	4Q'23	Change	2024	2023	Change
EBITDAaL	804	753	+51	3,324	3,179	+145
Gains on disposal of assets	38	9	+29	113	134	-21
D&A of PPE and intangible assets*	-486	-517	+31	-2,021	-2,000	-21
Add-back interest expense on lease liabilities	36	36	0	148	138	+10
Adjustment for the impact of employment termination programs and reorganisation costs	-2	-150	+148	10	-166	+176
Adjustment for the costs related to acquisition, disposal and integration of subsidiaries	-3	-2	-1	-3	-2	-1
Share of profit of joint venture adjusted for elimination of margin earned on asset related transactions with joint venture	-47	-20	-26	-152	-62	-89
Operating income	340	109	+231	1,419	1,221	+198
Net financial costs	-88	-19	-69	-291	-213	-78
<i>o/w foreign exchange loss/gain</i>	<i>-1</i>	<i>39</i>	<i>-40</i>	<i>9</i>	<i>40</i>	<i>-31</i>
Income tax	-51	-18	-33	-215	-190	-25
Net income	201	72	+129	913	818	+95

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 2023).

Details of organic cash flow evolution in 4Q and 2024

in PLNm	4Q'24	4Q'23	Change	2024	2023	Change
Net cash flow from operating activities before change in working capital	858	731	127	3,508	3,219	289
Change in working capital*	75	96	-21	-97	234	-331
Net cash flow from operating activities	933	827	106	3,411	3,453	-42
CAPEX	-762	-681	-81	-2,042	-1,819	-223
Change in CAPEX payables**	222	251	-29	-17	-256	+239
Cash proceeds from sale of fixed assets	51	15	36	197	274	-77
Repayment of lease liabilities	-125	-116	-9	-568	-509	-59
Adjustment for payment for costs related to acquisition, disposal and integration of subsidiaries	2	29	-27	4	30	-26
Organic cash flow	321	325	-4	985	1,173	-188

* 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
FTO	Full time outsourcing
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)