

# Capital Markets Day

## Lead the Future

Orange Polska

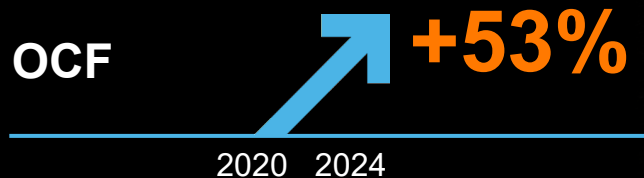
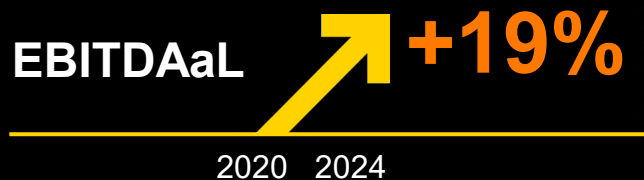
19 March 2025

Liudmila Climoc - CEO

Jacek Kunicki - CFO



# .Grow strategy placed us on sustainable growth path driven by commercial activity



Ready for  
next era of  
**Growth**

\* Change in the share price between 25/6/2021 and 13/02/2025 + PLN 1.08 per share dividends paid during this period

# We leverage powerful differentiating assets



unmatched  
connectivity



presence in  
high growing  
IT&IS market



engaged  
team

**NPS**  
**#1**

superior  
customer  
experience



loyal  
customer  
base



brand  
power

now let's  
move to  
the **future**

# Our market in 2028 is a fantastic place to be



with **MORE**  
& wealthier  
customers

**+0.8m**

new households  
vs. 15m today



**+25%**

growth of disposable  
income\*



Source: CSO data and OPL internal

\* Extrapolation based on past data

**Our market in 2028  
is a fantastic place to be**



**with  
GROWING  
demand**

**~2m more**  
customers with fibre  
(vs. 7.8m today)



**~3m more**  
mobile customers  
(vs. 45m active SIMs today)



**+50%**  
avg. data consumption



Source: OPL estimates

Our market in 2028  
is a fantastic place to be

with  
**BOOMING**  
digital  
economy

**+200m**

of connected devices



**x2**

small businesses  
in digital ecosystem



**+12bn PLN**

value of ICT market

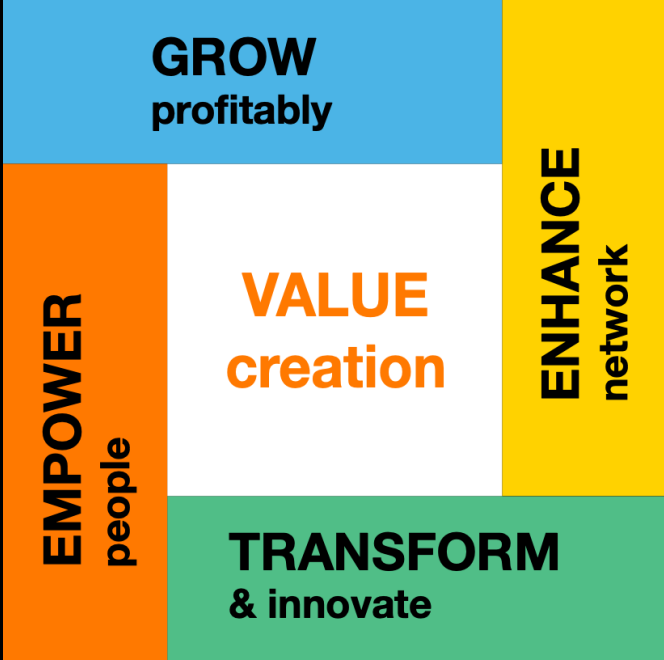


Source: OPL estimates

**Lead the Future** 

**Orange Polska**

# Lead the Future

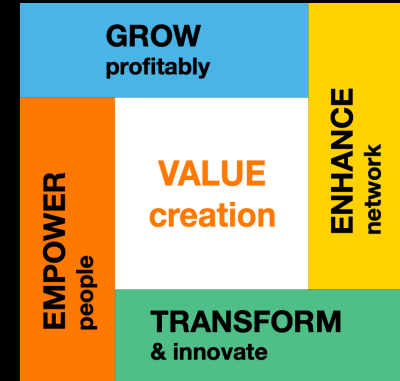




# GROW profitably

**Growth from convergent  
strategy and new households**

**Doubling down on IT&IS to go  
beyond telco in business**





# First choice for consumers – today & tomorrow

**#1** Connectivity



**#1** Cybersecurity



**#1** Convenience



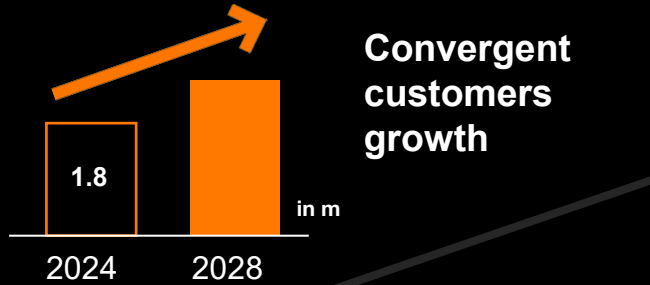
Mój Orange App



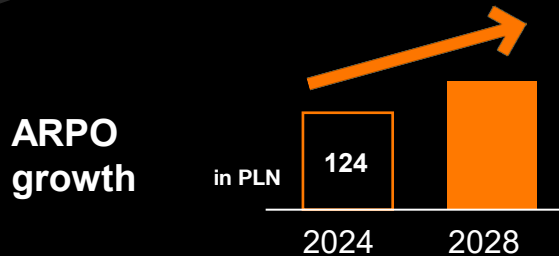


# Convergence leadership is the bedrock of our value creation

12-15%



12-15%



- **New growth possibilities offered by**

- expanding fibre footprint
- cross-sell to mono product customers
- AI-enabled Customer Value Management
- convenience of digital journey

- **Key benefits**

- greater customer loyalty
- higher ARPO
- fulfilling all customer needs



# New customers drive growth



**+500k**  
new Orange  
households



# Leading product strategy to gain new customers

Mobile, fibre & TV  
standalone and  
in combinations



Leading, flexible  
multi brand offers



AI-enabled  
hyper-personalisation

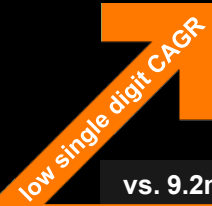


Attractive TV content  
& entertainment



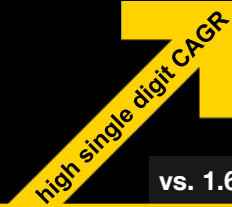
## Growing customer bases

Mobile  
handset



vs. 9.2m in 2024

Fibre



vs. 1.6m in 2024

TV



vs. 1.0m in 2024



**First choice technology  
partner for business  
– today & tomorrow**

**Strengthen  
Leadership**

**Telco**

**Accelerate  
Growth**

**IT&IS**





# Surfing new wave of IT&IS market growth

Demand for digitalisation



Next-gen connectivity



SDWAN

5G

based services



eCommerce



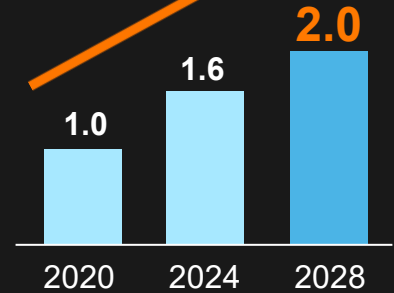
IoT

Unique position to deliver E2E value



IT&IS revenues

In PLN bn





# Accelerate on high-potential IT&IS for Large Business

From...



To... One integrated model

OPL entities providing IT&IS services



Multi cloud



Cyber-security



NEXT GEN 5G & IoT



Infrastructure



Data



Software

Benefits

capture benefits of technological shift

cross-sell synergies

commercial excellence

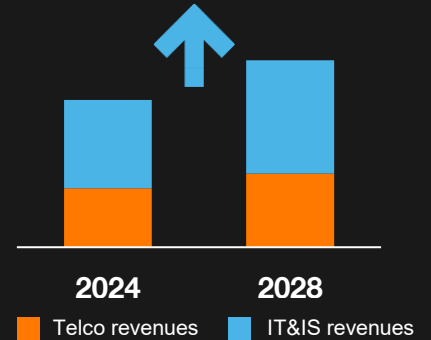
scale up innovation

full potential of partnerships



Large Business

Majority of revenues coming from IT&IS







# Maximise SOHO/SME value, go beyond telco



**Value** approach in core telco supported  
by next gen connectivity (5G/fibre)



**AI-driven** customer value  
management



**ICT services** best suited  
to SOHO/SME needs



Digital Marketing & Sales



Cloud



Collaboration tools

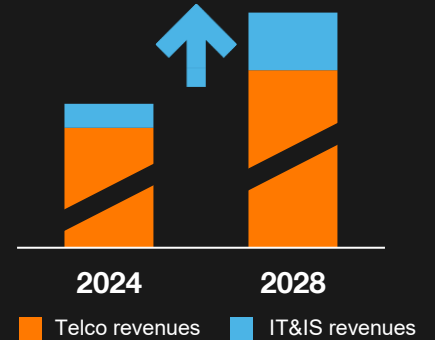


Cybersecurity



Small  
Business

Managing value  
in telco  
& expanding IT&IS





# Wholesale focused on asset monetisation



- **One-stop shop** for operators
- **Leveraging newly opened access to 2.5m FTTH HHs**
- **Enhanced customer experience** thanks to digitalisation & automation



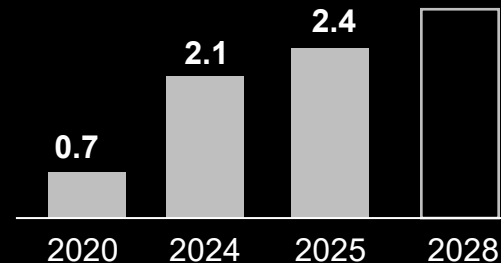
Wholesale  
fibre customers  
(vs.2024)

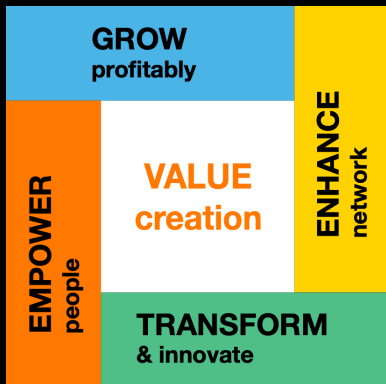
**+50%**

**Further development planned to expand successful FiberCo business model**

**FiberCo rollout plan**

in m HHC





**5G enabling superior  
connectivity, innovation &  
services**

**Enhancing fixed network  
leadership**

**ENHANCE**  
**network**

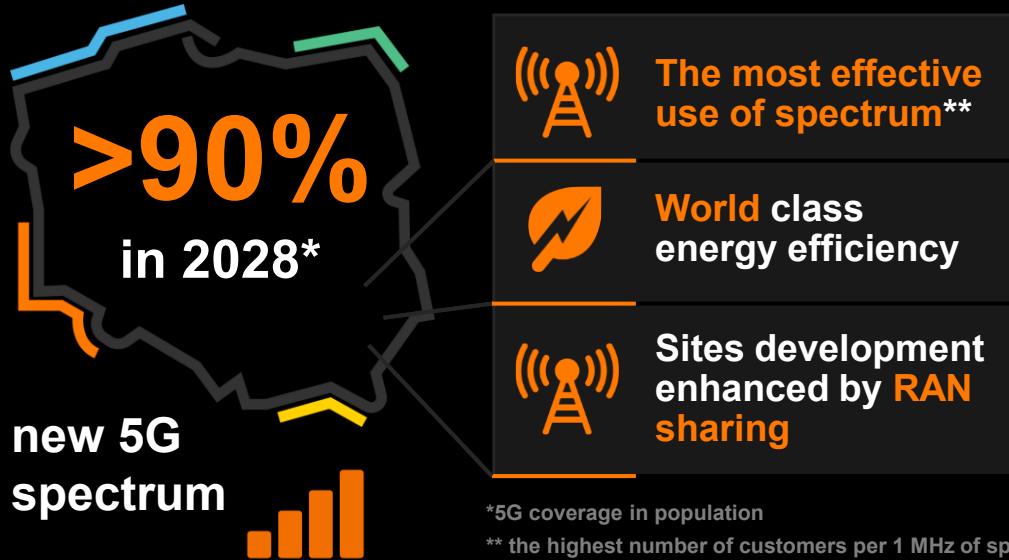


# 5G for top connectivity, innovation & services

Efficient 5G coverage expansion...



...will enable us to:



- Offer superb network quality & resilience
- Manage data consumption growth
- Launch new wave of FWA
- Develop dedicated networks for different use cases

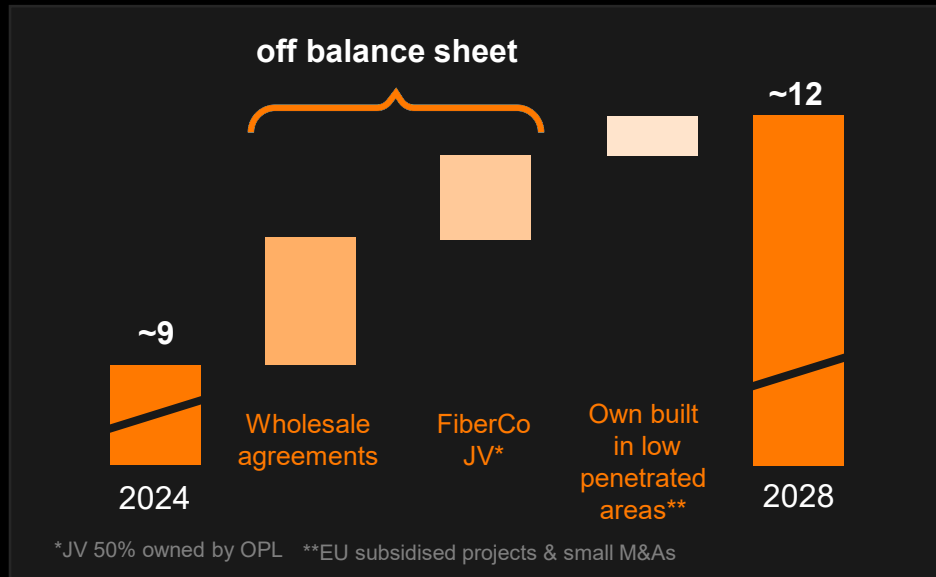


# Enhancing fixed network leadership efficiently

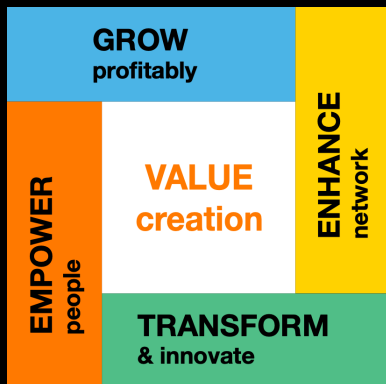
We are growing fibre coverage (m HHCs)...



...and improving its economics



- Maximising take-up of own infrastructure in retail & wholesale
- Building in high-potential areas
- Relying on trusted FiberCos for retail reach expansion



**360° transformation of  
our operating model**

**TRANSFORM  
& innovate**



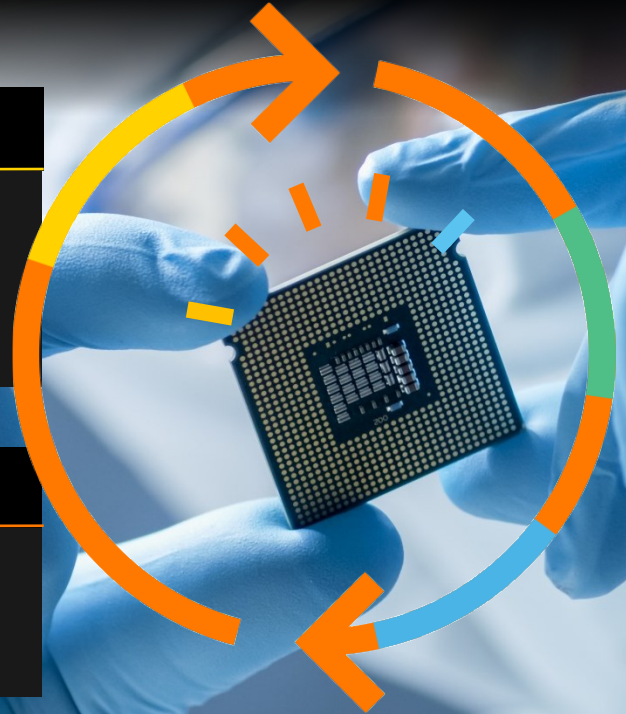
# 360° transformation drives efficiency & quality

## Digital-first sales & care

- Digital channels for superior experience and efficiency
- **AI-enabled** customer care
- **Optimise** product portfolio

## Automated smart network

- AI-enabled field force efficiency
- Cognitive network
- Top **energy efficiency**



## Lean processes & organisation

- Zero-based **process reengineering**
- Right-sized organisation
- Revamped IT
- **Smart sourcing** supported by AI

## Lighter asset base

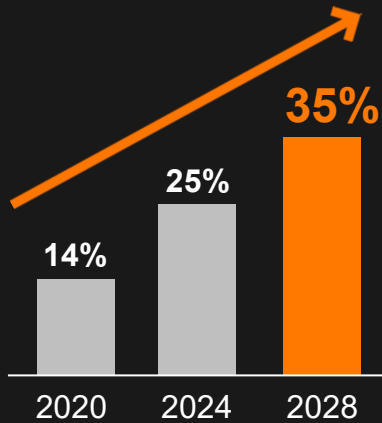
- Progressive **copper decommissioning**
- **3G switch-off**
- **Real estate** disposal finalisation




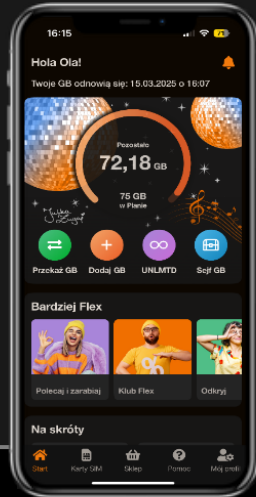
# Next level of sales & care

## AI Agents to improve sales and care efficiency

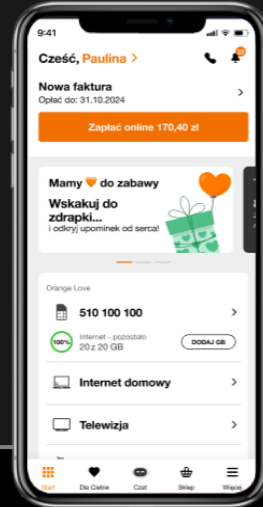
### Growing share of digital sales



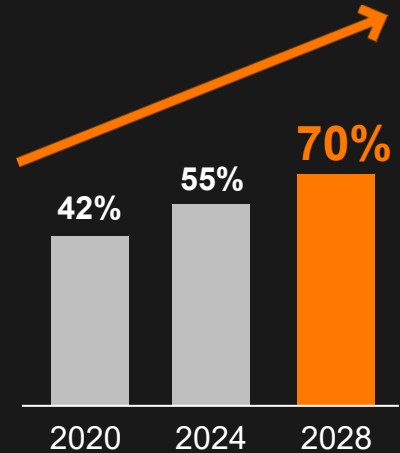
fully digital offer Flex 



 My Orange App



### Growing penetration of My Orange App







# Efficient, AI-enabled network operations

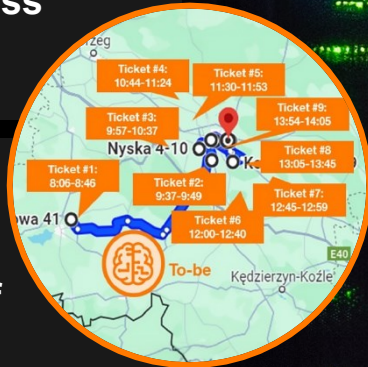
## Field force efficiency



**Increased productivity**  
through process  
reengineering



**AI-powered  
dispatching  
and routing of  
technicians**



## Autonomous network



**Cognitive Network**  
towards zero-touch  
autonomous network  
management



**AI-based  
capacity &  
reliability  
management**





# Pruning underutilised legacy assets

Cash & savings from sale of underutilised real estate



**> 0.5**

PLNbn portfolio ready for sale

**0.6**

PLNbn proceeds in 2021-2024

Decommissioning of legacy copper & equipment to save costs



Progressive, based on occupancy/profitability

More effective spectrum use with 3G switch off (2025)

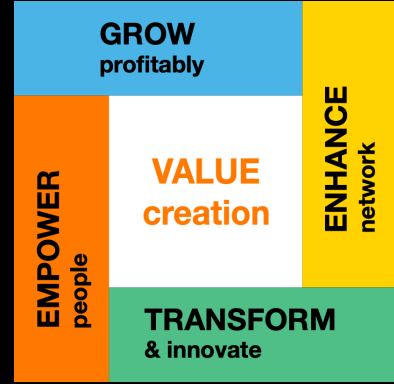


Improved service quality for 4G and 5G networks

# EMPOWER people

Entrepreneurial  
culture

Leading employer  
for top talent





# Empowered team to Lead the Future

## Winning team

- Engaged team with strong focus on execution & efficiency
- Future-oriented leaders with capability to drive the Telco & TechCo business

## Entrepreneurial culture

- Driven by customer passion
- Boldly simplifying organisation & processes
- Leveraging innovation DNA

## Best employer

- Attracting & developing talents
- Strong values in action
- Friendly work environment



# Responsible business is in our DNA



## Maximizing **circularity**

~50% of home devices  
refurbished



## Diverse & inclusive company

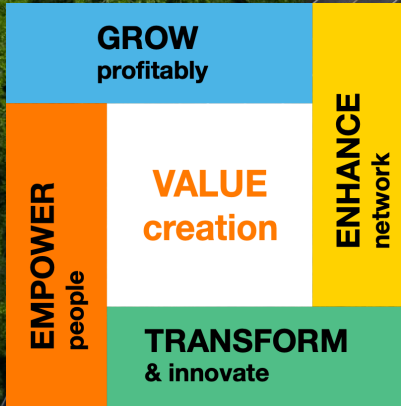
## Social engagement

3000 **Orange**  
volunteers



## 100% **renewable energy** sourced

-95% CO<sub>2</sub>e scopes 1, 2 vs 2020



## Digital **inclusion**

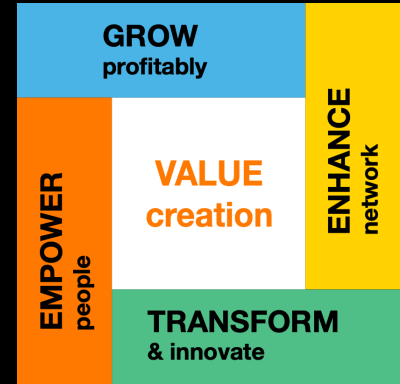


600k beneficiaries of  
Orange Foundation  
edu programs

## Top energy **efficiency**



# VALUE creation





# Our model creates shareholder value

## Revenue growth

revenue profitability  
(direct margin)



high operating leverage  
(cost efficiency)

## EBITDAaL growth



## Capex efficiency



Organic Cash Flow



Net income



ROCE



Dividend



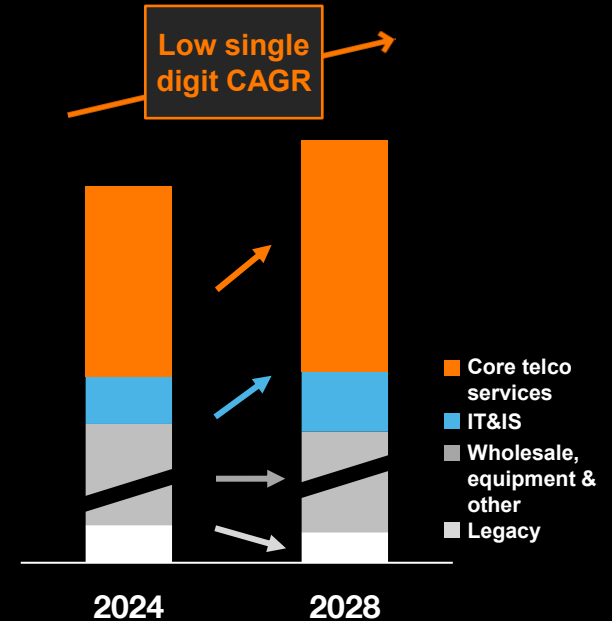
# Value creation starts with revenue growth

**Growth** driven by core telecom services and IT&IS

**Diminishing impact** of legacy services decline

**Revenue drives profitability** with **>55%** direct margin

Total revenues







# Core telecom services and IT&IS drive profitable growth

## Core telecom services



**Customer base growth**  
(fibre, 5G and new households)



**ARPO growth**  
(value strategy & multiservice)



**Revenues**  
**4-6% CAGR**  
2024-28

## IT&IS



**Strong growth in Enterprise**  
(integrated model)



**Opportunity in SOHO/SME**  
(beyond telco)



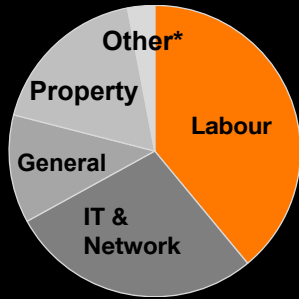
**Revenues**  
**5-7% CAGR**  
2024-28



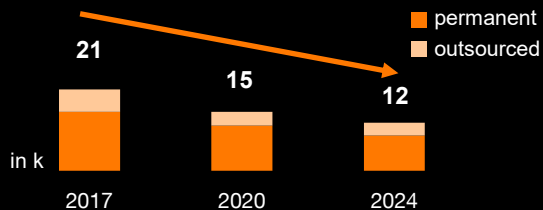
# Transformation supports EBITDAaL margin

## Indirect cost base

Indirect costs in 2024



Workforce adapted over time



\* incl. gains on network rollout for FiberCo

## Key levers



Digital-first sales&care

Automated smart network

Lean processes & organisation

Lighter asset base

## Ambition

**maintaining high operating leverage & striving to improve indirect cost/revenue ratio**

(vs. 29.6% in 2024)



# EBITDAaL growth key to value creation

Revenue **growth**



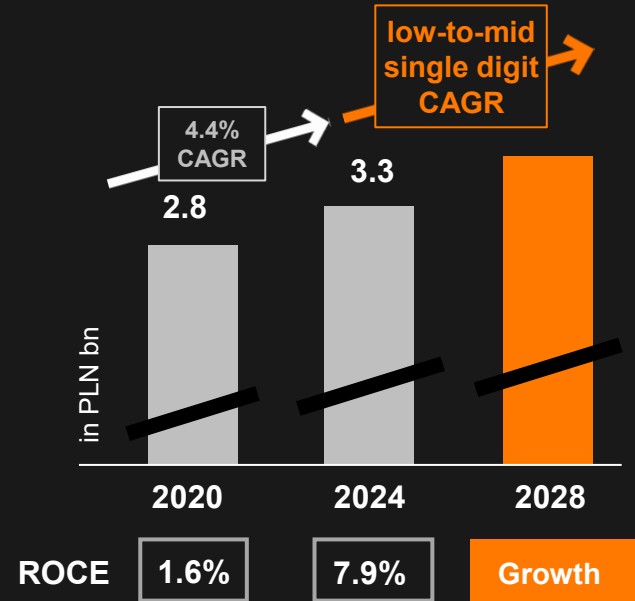
**strong** direct profitability



**high** operating leverage



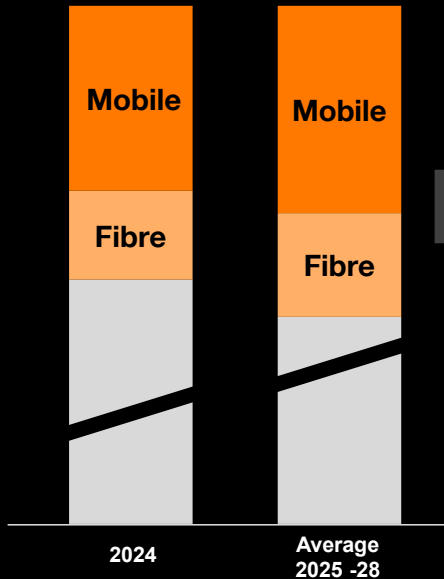
## EBITDAaL growth





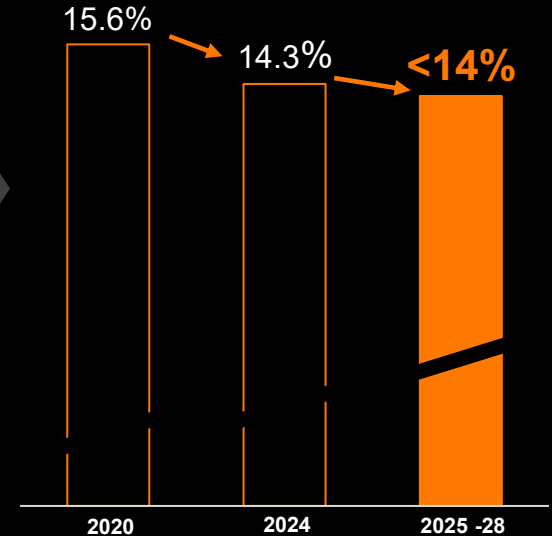
# Growth-focused capex drives higher returns

## Comparable eCapex



- **Investments focused on** future-proofing growth areas; **mobile** (5G rollout) **and fibre** (client connections & rollout with EU subsidies)
- **Optimisation of other capex** & less real estate sales
- **Majority of fibre investments done by the FiberCo JV** (off-balance sheet)
- **Focus on ROCE** visible in lower eCapex/revenue ratio

## Improving eCapex / revenues





# Strong focus on organic cash flow conversion

## OCF growth drivers 2025-2028

EBITDAaL		low-to-mid single digit CAGR
eCapex		<14% of revenues
Taxes & interests & working capital		increasing in line with growing business

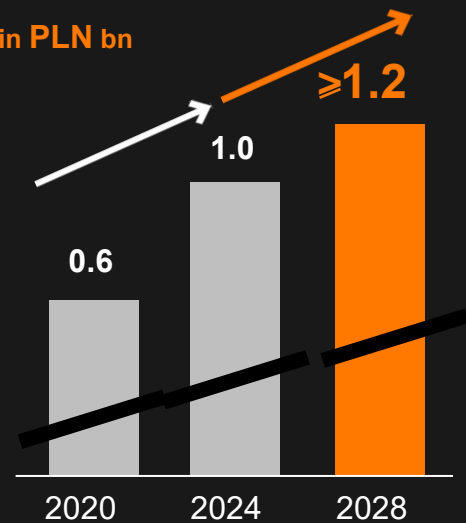
**Organic cash flow**



**at least PLN 1.2bn in 2028**

## OCF growth

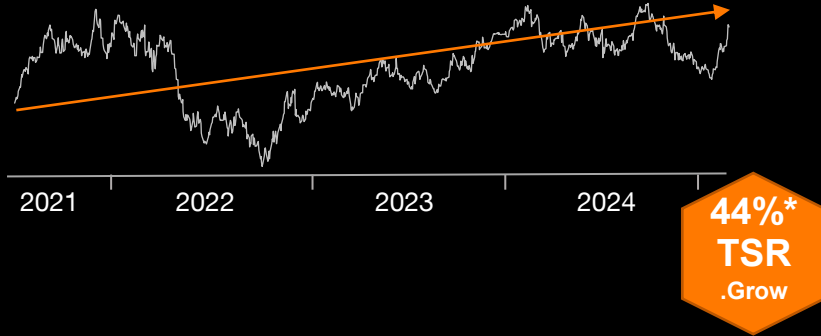
in PLN bn



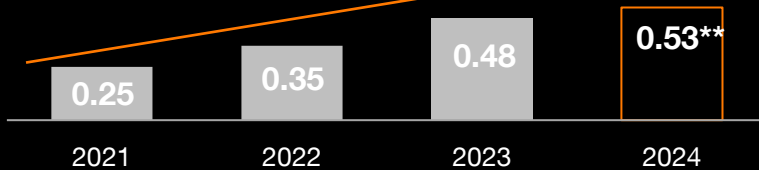


# Sustained shareholder value creation

OPL share price during .Grow strategy  
(06/21-02/25)



Dividend per share (PLN)  
(for fiscal year)



## Dividend Policy

**PLN 0.53** per share  
as a floor for 2025-2028

Future dividend growth to be decided yearly,  
considering projection of underlying financial results  
& soundness of the balance sheet

\* Change in the share price between 25/6/2021 and 13/02/2025 + PLN 1.08 per share dividends paid during this period

\*\* Management recommendation, subject to approval of General Meeting of Shareholders, to be paid in 2025



# Lead the Future – financial guidance

## Guidance (2025 to 2028)\*

**EBITDAaL**

low-to-mid single CAGR (vs. 2024)

**eCapex/Revenue**

<14% of revenues

**Organic Cash Flow**

At least PLN 1.2 bn in 2028

**Dividend per share**

**PLN 0.53 as a floor for 2025-2028**

Future dividend growth decided yearly, considering projection of underlying financial results & soundness of the balance sheet

\* Excludes major non-organic changes to OPL Group structure and major claims & litigations



# Orange Polska in 2028:



**Customer  
Champion**



**Empowered  
People**



**Unmatched  
Connectivity**



**Future-Ready  
Operations**



**Sustainable Value Creation**

# Lead the Future





# Q&A



# Appendix





# Details of ROCE calculation for 2023 and 2024

ROCE	FY 2023	FY 2024
<i>in PLNm</i>		
<b>Operating income</b>	<b>1,221</b>	<b>1,419</b>
Adjustment related to provisions for social plans	90	-63
Addback provision related to the 2024-25 social plan	125	
50% of provision related to the 2022-23 social plan*	-36	
50% of provision related to the 2024-25 social plan		-63
<b>Adjusted Operating income</b>	<b>1,311</b>	<b>1,357</b>
Equity	13,446	13,641
Net debt	3,528	3,670
<b>Capital employed</b>	<b>16,974</b>	<b>17,311</b>
Average capital employed**	17,214	17,143
<b>ROCE (pre-tax)</b>	<b>7.6%</b>	<b>7.9%</b>

\* Includes provision & final settlements related to the 2022-23 social plan

\*\*Average capital employed is calculated based on the average of capital employed in year *n* and *n-1*



# Expected timeline for spectrum acquisitions and renewals until 2030

<b>Date</b>	<b>Spectrum</b>	<b>Description</b>
2025	700/800 MHz	spectrum auction
2027	1800 MHz	renewal
2029	900 MHz	renewal
2030/31	800/2600 MHz	renewal

# 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
HHC (Households connectable) in fibre technology	Households where broadband access service based on fibre technology can be rendered
IT&IS	IT & Integration Service
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
FWA (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)

## 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.