iliad GROUP

The iliad Group delivers solid results H1 2026 results: robust growth, record-high customer satisfaction, and a major strategic milestone

- The iliad Group maintained its position as Europe's growth leader in the first half of 2026, delivering 3.4%[1] organic growth in Services revenue led by solid commercial momentum across its three geographies.
- The Group took a major strategic step forward during the period by agreeing to acquire a portion of SFR's assets alongside Orange and Bouygues Telecom. Subject to regulatory clearance, the acquisition would make the iliad Group the third-largest telco[2] in the European Union.
- The Group once again demonstrated its pioneering vision, launching Free Max in France – the first unlimited mobile data plan covering France and 140 destinations worldwide – as well as the Mondo plan in Italy.
- The Group also confirmed its position as a front-ranking sovereign cloud provider, through new major contracts won by Scaleway, including the European "Trusted Cloud" services contract with Airbus and the contract to host France's Health Data Hub.
- Customer satisfaction reached record levels, with the iliad Group achieving the best NPS[3] in the market for Mobile and Broadband in France[4] and Italy[5], representing all-time highs for the Group in both countries. At the same time, Play maintained its high NPS in Poland. In addition, having been the first telco in France to roll out 5G+, Free was ranked No. 1 in Europe for 5G+ quality.
- The iliad Group is financially stronger than ever: its operating free cash flow (OFCF) rose 10% during the period, and its leverage ratio decreased further, coming in at 2.2x EBITDAaL at end-June 2026. Moody's, Fitch and S&P recognized this robust momentum with upgrades of the Group's credit ratings.
- Consolidated profit in H1 2026 came to €502 million, including €365 million generated in the second quarter, i.e. more than double the profit figure for Q2 2025.
- Equity free cash flow (EFCF) climbed 32%[6] in H1 2026 to €661 million, putting the Group on track to target EFCF of more than €1.0 billion for the full year.

[1] *Growth adjusted for an asset sale related to fiber co-financing in very densely populated areas of France, and at constant exchange rates.*
[2] *In terms of subscribers*
[3] *NPS: Net Promoter Score*
[4] *IFOP – April 2026 – best NPS among the 4 historical brands*
[5] *IFOP Doxa – May 2026*
[6] *Versus H1 2025 EFCF adjusted for €440 million in proceeds from the sale of 50% of OpCore.*

Solid commercial performance in the Group's three geographies

The Group delivered solid commercial performances across France, Italy and Poland in H1 2026, in an operating context of mature, and still fiercely competitive, markets. Mobile and Broadband subscriber numbers increased in all three countries.

In **France**, Free delivered **a solid commercial performance in the Mobile segment**. **NPS reached record levels for both Broadband and Mobile**, with Free achieving the **highest score for customer satisfaction out of France's main brands**. The subscriber mix continued to improve, with the Fiber take-up rate topping 90% for the first time, and the take-up rate for 4G/5G offers standing at over 78%. Free also reduced its subscriber churn rates for both Broadband and Mobile.

In **Italy**, iliad Italia delivered another very strong commercial performance despite aggressive sales tactics from its competitors. In May 2026, **iliad Italia achieved its highest-ever NPS in both Mobile** (63) and **Broadband** (52), clearly demonstrating its leadership status for customer satisfaction among Italy's main telcos.

In **Poland**, **Play maintained its commercial strategy of striking the right balance between volume and value** in a highly competitive market, focusing particularly on Broadband-Mobile convergence. Play retained its No. 2 market position for customer satisfaction in Mobile, and its higher Broadband service quality helped to significantly reduce churn in this segment.

Organic growth leader in France and among Europe's top telcos

With both total revenue and Services revenue up **3.4%** organically in the first half of 2026, the Group confirmed its position as the **revenue growth leader among Europe's leading telecom operators**. **In France**, Services revenue grew by **1.5%** organically, fueled by a rise in revenue from convergent subscribers and B2B activities. The Group recorded the highest organic growth in Services revenue out of France's top four telcos in H1 2026. **In Poland**, Services revenue grew by **5.4%** organically. **In Italy**, iliad Italia consolidated its **growth leadership position**, recording a **10.1%** increase in Services revenue.

The Group continued to demonstrate its pioneering approach in Europe's telecom industry, driven by innovative initiatives and a firm commitment to digital sovereignty

The first half of 2026 saw several strategic initiatives across the Group's three geographies, underscoring its ambition to combine operational excellence, innovation and the development of sovereign digital infrastructure.

In France, the quality of Free's network was recognized by Opensignal[1], which ranked **Free as Europe's No. 1 operator for 5G+ (5G SA) quality**, with a score of 94% for the "Consistent Quality" indicator and a 32% improvement in latency compared with 5G Non-Standalone (NSA) – the largest gain recorded among the European operators surveyed. Since the beginning of the year, the Group has continued to expand and enhance its line-up of offerings, launching **Free Max – the first unlimited mobile data plan covering France and 140 destinations worldwide** – and **Large Mobile Fleet Plans** for Free Pro's B2B business, as well as becoming the first telco in France to offer **YouTube Premium** at a special price for its Mobile and Broadband subscribers.

1 https://insights.opensignal.com/2026/06/5g-standalone-in-europe-where-deployment-stands-and-what-it-means-for-users-june-2026/dt

Scaleway – the Group's cloud and AI subsidiary – enjoyed very strong commercial momentum in H1 2026. It secured a major European "Trusted Cloud" services contract with **Airbus**, was selected as the future host for France's Health Data Hub, and was chosen by the European Commission to deliver a sovereign public cloud & AI platform[1]. Scaleway also entered into partnerships with several major European companies during the period, including **MAIF**, **Ouest-France** and **ChapsVision**. This strong momentum clearly demonstrates the growing demand among major European corporations for "home-grown" European cloud services.

In **Italy**, iliad Italia expanded its offerings with the launch of the **Mondo** plan and the **5G Box Casa** – a self-installable 5G home broadband solution available in areas not yet covered by fiber. iliad Italia also continued to expand the addressable market for its fiber offerings and rolled out new-generation mobile networks as part of its "Più Veloci" plan.

In **Poland**, Play pursued its strategy of upscaling its offerings, launching new plans in both the B2C and B2B markets. It also continued to extend the addressable market for its Broadband plans via PŚO, whose network coverage reached over 5.2 million households in 138 "powiats" (districts). During the period, Play published a study confirming the positive impact that fiber connectivity has on local economic development and quality of life in peri-urban areas across Poland.

A solid H1 2026 financial performance

Thanks to the strong commercial momentum across its three geographies, ongoing cost discipline, and capital expenditure returning to more normal levels, **the Group's OFCF rose by over 10% in the first half of 2026**, with all of its countries contributing to this growth.

OFCF surged by 75% to €106 million in Italy (€45 million higher than in H1 2025), and rose 6.4% in France and 7.1% in Poland (up €43 million and €30 million respectively). **Adjusted profit for the period[2] advanced 39.5% to €326 million**.

The Group's EFCF grew to €661 million in the first half of 2026. This **32%** (€159 million) year-on-year increase[3] was achieved thanks to the growth in OFCF as well as lower cash outflows for purchases of frequencies. The Group now expects to generate EFCF of **more than €1.0 billion for full-year 2026**.

A stronger financial position and upgraded credit ratings

The Group's higher cash generation drove a further improvement in its financial structure, with **its leverage ratio decreasing to 2.2x** at end-June 2026.

During the first half of 2026, the three major rating agencies – **Moody's, Fitch and S&P** – all upgraded the credit ratings of iliad and iliad Holding, in recognition of the Group's strong organic growth, higher cash generation, and solid history of strategy execution.

On June 6, 2026, the iliad Group announced that it had signed **a memorandum of understanding with Altice France**, alongside Bouygues Telecom and Orange, regarding the acquisition of certain

[1] As part of the European Commission's Cloud III Dynamic Purchasing System.
[2] Adjusted for (i) the capital gain recorded in Q1 2025 related to the sale of 50% of OpCore, and (ii) the capital gain recorded by Tele2 in Q1 2026 due to the start-up of a 50/50 joint venture with GCI for towers in the Baltic states, which positively impacted Freya's contribution to the profit of equity-accounted companies.
[3] Versus H1 2025 EFCF adjusted for €440 million in proceeds from the sale of 50% of OpCore.

SFR assets. In connection with this planned acquisition and as part of a refinancing operation for its bank facilities, **the Group secured almost €10 billion in financing**, comprising €6.5 billion for the acquisition of SFR (with this acquisition financing nearly six times over-subscribed) and €3.5 billion in bank facilities refinanced with a pool of 31 leading international banks. These transactions clearly reflect the ongoing confidence of the Group's financial partners, as well as the strength of its credit profile.

"For the fifth year running, the iliad Group is the growth leader among Europe's leading telcos. This performance isn't a question of luck, nor is it a cyclical effect. Instead, it's underpinned by a vital asset: the trust of our subscribers, which has reached record levels, and a solid financial position, enabling us to invest in the digital infrastructures of the future – networks, cloud solutions, data centers and AI. The planned acquisition of SFR's assets is an opportunity for us to change scale while at the same time growing the Free model, for the benefit of consumers. Propelled by this momentum, we're raising the bar and are now targeting EFCF of more than €1 billion for full-year 2026."

Thomas Reynaud, CEO of the iliad Group.

Key operating performance indicators[1] at June 30, 2026

GROUP (figures in millions)	Q2 2026	Q1 2026	QoQ change
Number of Mobile subscribers	42.2	41.9	+0.2
Number of Broadband subscribers	10.3	10.3	0.0
TOTAL NUMBER OF SUBSCRIBERS	52.5	52.2	+0.3

FRANCE (figures in millions unless otherwise stated)	Q2 2026	Q1 2026	QoQ change
Number of Mobile subscribers	**15.8**	**15.7**	**0.0**
Of which on the 4G/5G Free Mobile Plan (incl. Overseas France)	*12.3*	*12.2*	*+0.1*
Of which on the voice-based plan and prepaid cards	*3.5*	*3.5*	*-0.1*
Number of Broadband subscribers	**7.6**	**7.6**	**0.0**
Of which Fiber	*6.9*	*6.8*	*+0.1*
Fiber take-up rate (%)	**90.5%**	**89.1%**	**+1.4pt**
Number of connectible Fiber sockets	*41.0*	*40.6*	*+0.4m*
TOTAL NUMBER OF SUBSCRIBERS – FRANCE	23.4	23.3	0.0

ITALY (figures in millions)	Q2 2026	Q1 2026	QoQ change
Number of Mobile subscribers	12.8	12.7	+0.1
Number of Broadband subscribers	0.6	0.5	0.0
TOTAL NUMBER OF SUBSCRIBERS – ITALY	13.3	13.2	+0.1

POLAND (figures in millions)	Q2 2026	Q1 2026	QoQ change
Number of active Mobile subscribers	**13.6**	**13.5**	**+0.1**
Of which on plans	*9.9*	*9.9*	*0.0*
Of which prepaid	*3.7*	*3.7*	*+0.1*
Number of Broadband subscribers	**1.7**	**1.7**	**0.0**
TOTAL NUMBER OF SUBSCRIBERS – POLAND	15.8	15.7	+0.1

[1] *See glossary for definitions.*

First-half 2026 revenues

The table below shows the breakdown of the Group's revenues by category for the six-month periods ended June 30, 2026 and June 30, 2025.

In € millions	H1 2026	H1 2025	% change	Q2 2026	Q2 2025	% change
Consolidated revenues	**5,241**	**5,086**	**+3.0%**	**2,632**	**2,551**	**+3.2%**
Revenues - Services[1]	4,838	4,693	+3.1%	2,436	2,353	+3.5%
Revenues - Equipment	402	392	+2.5%	198	198	-0.2%
Revenues – France	**3,324**	**3,273**	**+1.5%**	**1,670**	**1,640**	**+1.8%**
Services[1]	3,126	3,093	+1.1%	1,575	1,547	+1.8%
Equipment	198	180	+9.6%	96	93	+3.3%
Revenues – Italy	**665**	**603**	**+10.2%**	**334**	**306**	**+9.3%**
Services	659	599	*+10.1%*	332	304	*+9.2%*
Equipment	6	5	+22.8%	3	2	+17.5%
Revenues – Poland[2]	**1,257**	**1,214**	**+3.5%**	**631**	**607**	**+4.0%**
Services	1,059	1,007	*+5.1%*	533	505	*+5.5%*
Equipment	199	207	*-4.1%*	99	103	*-3.7%*

[1] Net of intra-group eliminations (Group Services revenue)/inter-segment eliminations (France Services revenues).
[2] EUR/PLN exchange rate: 4.2423 for H1 2026 and 4.23127 for H1 2025.

Key financial performance indicators in first-half 2026

In € millions	H1 2026	H1 2025	% change
Consolidated revenues	**5,241**	**5,086**	**+3.0%**
France	3,324	3,273	+1.5%
Italy	665	603	+10.2%
Poland	1,257	1,214	+3.5%
Eliminations	(5)	(5)	-
Consolidated EBITDAaL	**2,091**	**2,046**	**+2.2%**
France	1,286	1,311	-1.9%
Italy	229	191	+20.2%
Poland	575	544	+5.8%
Consolidated capex[1]	**804**	**878**	**-8.4%**
France	561	629	-10.8%
Italy	124	131	-5.2%
Poland	119	118	+0.9%
OFCF	**1,287**	**1,168**	**+10.2%**
France	725	682	+6.4%
Italy	106	60	+75.2%
o/w Mobile business[2]	*116*	*90*	*+29.5%*
Poland	456	426	+7.1%
EFCF	**661**	**942**	**-29.8%**
Adjusted profit from continuing operations	**326**	**234**	**+39.5%**

	June 30, 2026	Dec. 31, 2025
Net debt[3]	8,996	9,430
LTM EBITDAaL	4,087	4,042
Leverage ratio	**2.2x**	**2.3x**

[1] *Excluding payments for frequencies.*
[2] *Internal estimates.*
[3] *Net debt comprises short- and long-term financial liabilities, including derivative instruments (assets and liabilities), less cash and cash equivalents.*

Glossary

Alternative operator: An operator that entered the market subsequent to the incumbent State operator losing its monopoly

Broadband ARPU: Includes revenues from the flat-rate package and value-added services, divided by the total number of Broadband subscribers billed for the last month of the quarter.

Broadband subscribers: Subscribers who have signed up for the Group's ADSL, VDSL or FTTH offerings.

Connectible Fiber socket: A socket for which the link between the shared access point and the optical splitter has been put in place by the building operator, which the Group can access in accordance with its co-financing commitments, and for which the connection to the Group's network has been completed or is in progress.

EBITDAaL: Profit from ordinary activities before depreciation, amortization and impairment of property, plant and equipment and intangible assets, and the impact of share-based payment expense.

EFCF: Equity Free Cash Flow (before dividends paid to shareholders of the parent company and cash flows from financing activities).

Fiber take-up rate: Represents the number of Fiber subscribers as a percentage of the total number of Broadband subscribers.

FTTH: Fiber To The Home: Data delivery technology that directly connects subscribers' homes to an optical node (ON).

Leverage ratio: Represents the ratio between net debt (short- and long-term financial liabilities less cash and cash equivalents) and EBITDAaL.

Mobile ARPU billed to subscribers: Includes revenues billed to subscribers divided by the total number of Mobile subscribers during the period.

Net adds: Represents the difference between the total number of subscribers at the end of two different periods.

Number of Broadband subscribers – France: Represents, at the end of a given period, the total number of subscribers, identified by their telephone lines, who have signed up for a Free or Alice Broadband offering, excluding those recorded as having requested the termination of their subscription.

Number of Broadband subscribers – Italy: Represents, at the end of a given period, the number of subscribers who have signed up to an iliad Italia Broadband offering, excluding those recorded as having requested the termination of their subscription.

Number of Broadband subscribers – Poland: Represents, at the end of a given period, the number of subscribers who have signed up to a Play Broadband offering, excluding those recorded as having requested the termination of their subscription.

Number of active Mobile subscribers – Poland: Represents, at the end of a given period, the total number of subscribers, identified by their telephone lines, who have subscribed to a Play mobile offering (excluding M2M and free SIM cards) and who have issued or received at least one communication (voice or data) during the preceding 30 days.

Number of Mobile subscribers – France: Represents, at the end of a given period, the total number of subscribers, identified by their telephone lines, who have subscribed to a Free mobile offering, excluding those recorded as having requested the termination of their subscription.

Number of Mobile subscribers – Italy: Represents, at the end of a given period, the total number of subscribers (B2C and B2B) identified by their telephone lines, who have subscribed to an iliad Italia mobile offering and who have issued or received at least one communication during the preceding three months.

Revenues billed to subscribers: Revenues generated from services billed directly to subscribers (services included in subscribers' plans, as well as additional services).

Services revenue: Revenues excluding revenue from devices.

Total number of Fixed-line subscribers – Poland: Represents, at the end of a given period, the number of subscribers who have signed up to a Telephone plan, a TV plan or a fixed Broadband plan, excluding those recorded as having requested the termination of their subscription.

Total number of subscribers – Poland: Represents, at the end of a given period, the number of active Mobile subscribers in Poland and the number of Fixed-line subscribers in Poland.

About the iliad Group

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Created in the early 1990s, the iliad Group is the inventor of the world's first triple-play box and is a major European telecoms player, standing out for its innovative, straightforward and attractive offerings. The Group is the parent of Free in France, iliad in Italy and Play in Poland, has over 17,700 employees serving 52 million subscribers, and generated €10.3 billion in revenues in 2025. In France, the Group is an integrated Fixed and Mobile Ultra-Fast Broadband operator and had 23.3 million subscribers at end-June 2026. In Italy, where the Group launched its business in 2018 under the iliad brand, it is the country's fourth-largest mobile operator and had over 13.2 million subscribers at end-June 2026. In Poland, the Group is an integrated convergent operator, and at end-June 2026 had 15.7 million subscribers. The iliad Group is Europe's fifth-largest operator by number of retail Mobile subscribers (excluding M2M) and the fifth-largest Fixed Broadband operator.