

Be Bold

Set the vibe

Q3 2020

Financial Results

**Orange
Belgium**

October 23, 2020



Disclaimer

This presentation might contain forward-looking statements about Orange Belgium in particular for 2020. 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 economic situation in Europe and more specifically in Belgium, the impact of price adjustments on the customer base resulting from competitive pressure, the evolution of the customer base, the effectiveness of Orange Belgium's convergent strategy including the success and market acceptance of the voice and data abundance plans in the business segment and of the Orange Internet & TV offers, of the Orange Belgium brand and other strategic, operating and financial initiatives, Orange Belgium's ability to adapt to the on-going transformation of the telecommunications industry, regulatory developments and constraints and the outcome of legal proceedings, risks and uncertainties related to business activity.



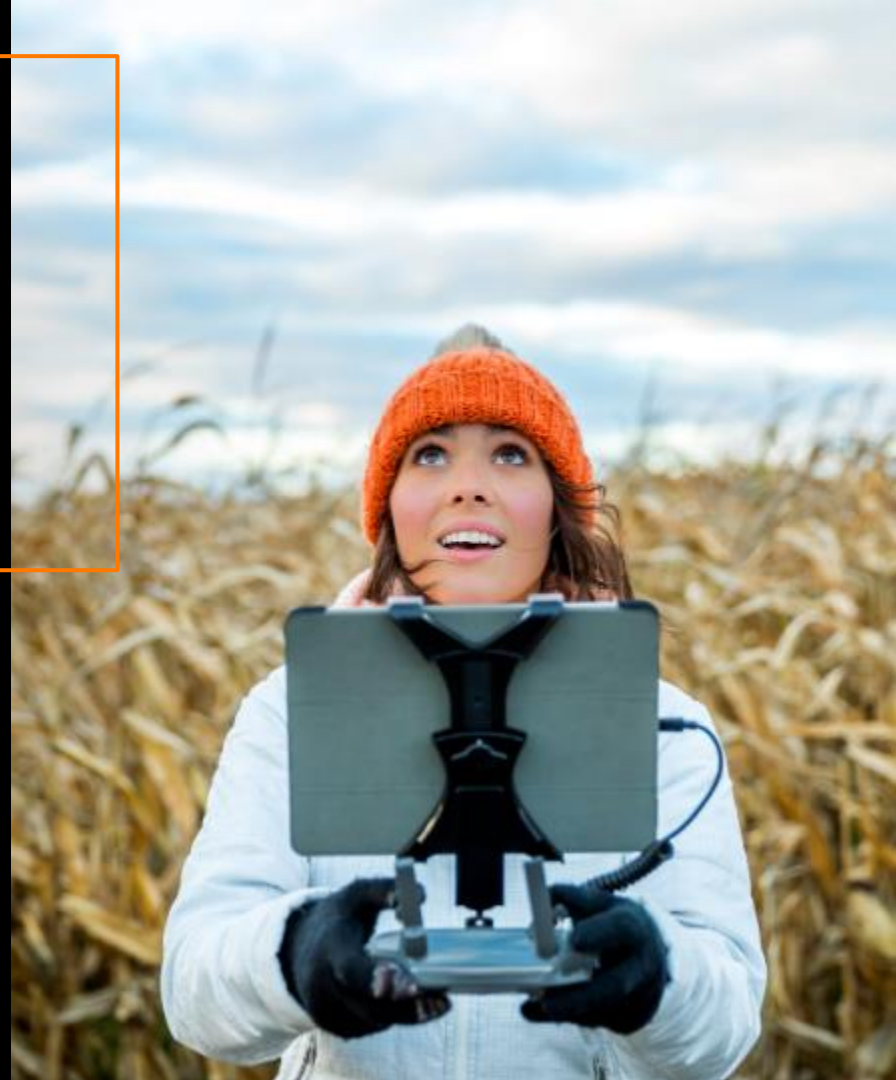
Q3'20:

**Regained commercial
momentum; efficient
cost reduction
boosting EBITDAaL**

Section one

Q3 2020

Highlights



Go Plus: data boost & extra discounts combined with convergence

Go Plus

Recevez encore plus de data

5-GB

8 GB

+ appels illimités

+60%
more
data



Go Plus price discount
in combination with
convergence

€4
/mobile
subscription



Les fans sans
le foot...



Le foot belge
débarque sur votre TV à
€10.99*

An unbeatable price for the football option
for all Love customers



Different options:

1. International Pass **€9.99***
2. Pro League Pass **€10.99***
3. All Access Pass **€14.99***

* Price per month

Smart Home: 3 different options to make customer's home safe and smart



Smart home improves **energy consumption**, increases **security** and **comfort**, enjoying new forms of **entertainment**

Smart Comfort

Google Nest Mini + Prise connectée + Ampoule connectée

A diagram showing three smart home components for comfort: a white Google Nest Mini speaker, a white smart plug with two outlets, and a white smart light bulb. They are arranged horizontally with plus signs between them.

Smart Security

Google Nest Hub + Caméra connectée

A diagram showing two smart home components for security: a white Google Nest Hub smart display and a white smart camera. They are arranged horizontally with a plus sign between them.

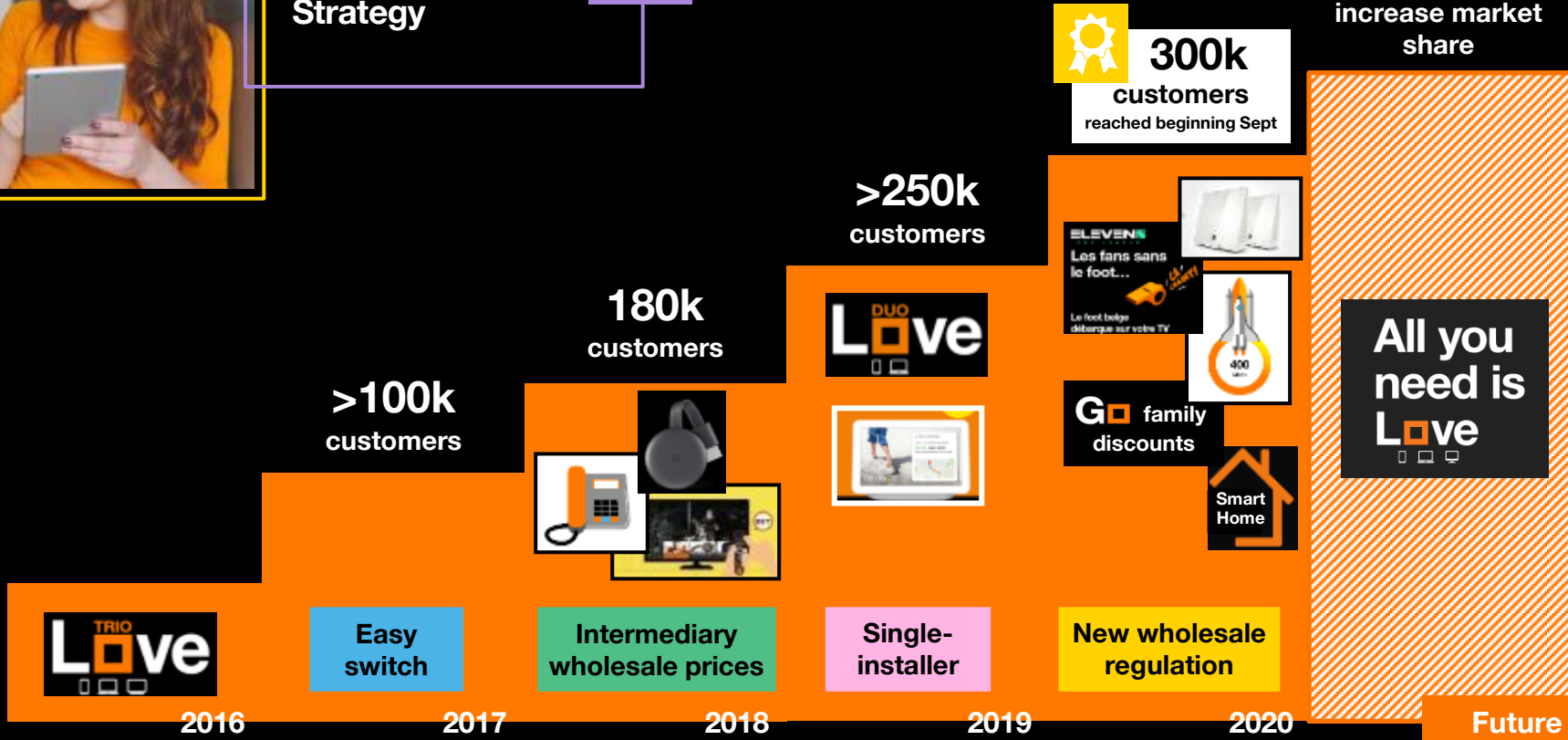
Smart Relax

Google Nest Mini + Google Chromecast

A diagram showing two smart home components for relaxation: a white Google Nest Mini speaker and a black Google Chromecast with its cable. They are arranged horizontally with a plus sign between them.



Major Love milestone achieved thanks to the Bold Challenger Strategy



2016

Easy switch

2017

Intermediary wholesale prices

2018

Single-installer

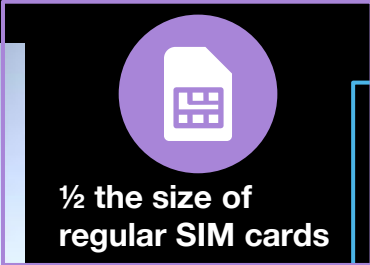
2019

New wholesale regulation

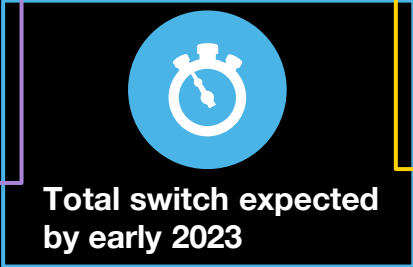
2020

Future

Orange Belgium introduces Half ID SIM cards



½ the size of regular SIM cards



Total switch expected by early 2023



Will help reduce plastic consumption by +2 tons/year



“ This is part of a broader plan to **decrease Orange Belgium’s environmental impact** aiming at reducing its CO₂ emissions by 30% by 2023 ”



Orange Belgium enters the sustainable smartphone market

Breathing new life into discarded mobile phones

In Belgium, more than **2 million mobile phones** are not used



Every year, we recover **thousands** of mobile phones

The mobile phone is returned to an Orange shop

If it still has residual value



2/3 of mobile phones collected
The customer receives a voucher in exchange for his old mobile phone which will be reused.

If it is at the end of its life



1/3 of mobile phones collected
90 % of a mobile phone is recycled.

For every mobile phone collected, we donate 2 € to Natagora/Natuurpunt to plant trees/hedges in Belgium.



Step by step towards a more sustainable planet

Orange Belgium is boosting BuyBack program, will promote sustainable smartphones and sell refurbished ones



“ This is part of a broader plan to **decrease Orange Belgium’s environmental impact** aiming at reducing its CO₂ emissions by **30% by 2023** ”



Orange Belgium future environmental commitments



Goal:

Decrease 30% CO₂ emissions by 2023



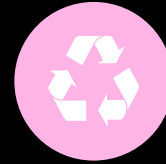
360° mobility plan



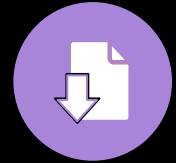
usage of more efficient technologies



invest in circular economy



promote eco-responsible packaging



limit use of paper



For the **6th** year running, Orange Belgium's operations have been certified **CO₂ neutral**

Orange Belgium and its industrial partners showcase real-life innovations in the port of Antwerp, made possible by 5G



Port of Antwerp

Deloitte.

covestro

BOREALIS

KATOEN NATIE

Nokia is selected for its future mobile radio network



Orange Belgium has selected **Nokia** to progressively renew its existing 2G/3G/4G mobile radio network and for the roll-out of 5G



Orange Belgium will fully upgrade its existing 2G/3G/4G radio network by **2023**



Goal: roll out a best-in-class, energy-efficient and future-proof mobile radio access network in Belgium



Orange Belgium's guidance on its expected benefits and implementation costs from the network sharing remains unchanged:

- Savings over 10 years: **€300m**

- Initial set-up costs over the next 3 years: **€130m**

During the crisis...

Proud To Be Orange

'Cause Orange Belgium ...

orange™

... supported the government on its effort to restrain the spread of the virus

... showed proximity through its constant communications and surveys

... valued the feedback coming from its workforce


... provided support to hospitals and nursing homes

... concentrated its efforts to ensure network and service continuity



... acted in a caring and responsible way towards its customers, society and the team leaders

Q3 2020 Key achievements



Mobile contract
excl. M2M

2.6 m
+2.6% yoy

Belgium

Convergent
customers

Love 305 k
+30.8% yoy

Belgium




Net additions

Mobile contract
excl. M2M **+21 k**

Convergent
customer **+17 k**

Belgium



19.1%
of total
postpaid
mobile base is
convergent

Belgium

Revenues

€335.3 m
-0.6%* yoy



Retail service
revenues

€230.6 m
+2.6%* yoy




EBITDAaL

€89.4 m
+7.2%* yoy



eCapex

€41.9 m
+6.8% yoy



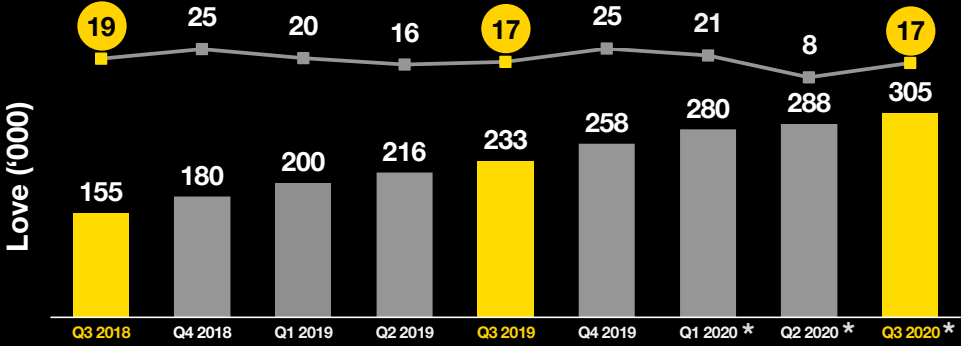
*based on 2019 comparable figures

Section two

Operational Results



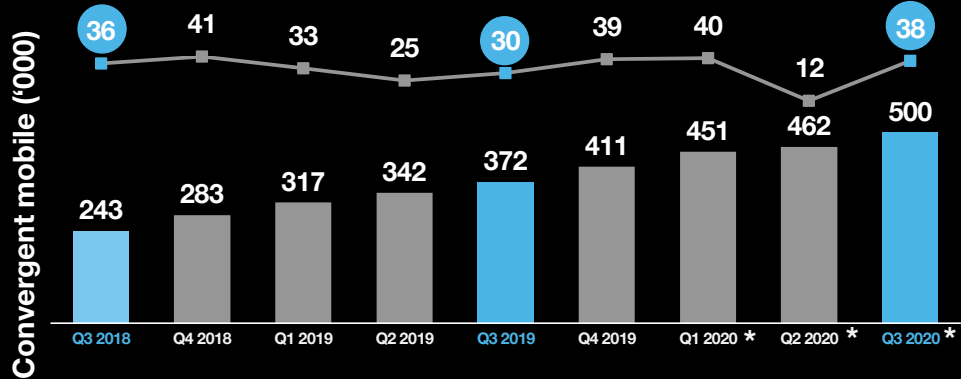
Convergence net adds returned to strong levels



+17k
Love customer net adds, -3.7% yoy

+30.8%
Love customers yoy variation

18%
of convergent customer base is Love Duo



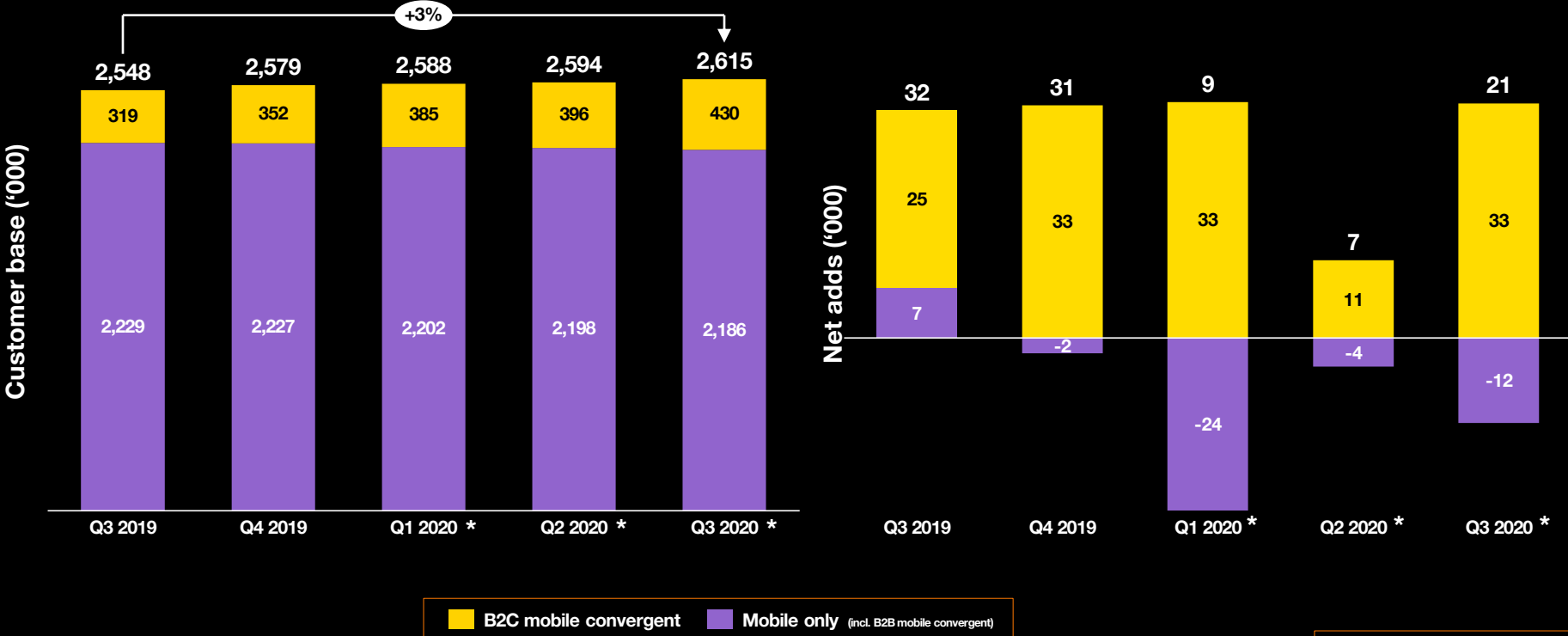
1.6
SIM cards per convergent customer

19.1%
of total postpaid mobile base is convergent (Q3'19: 14.6%)

■ Customers — Net adds

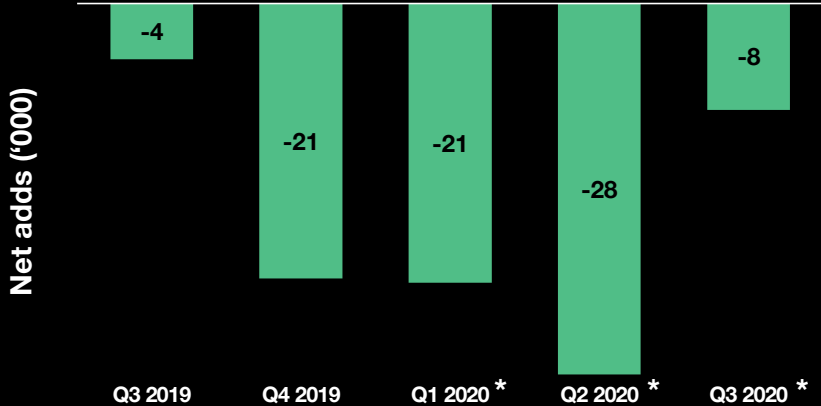
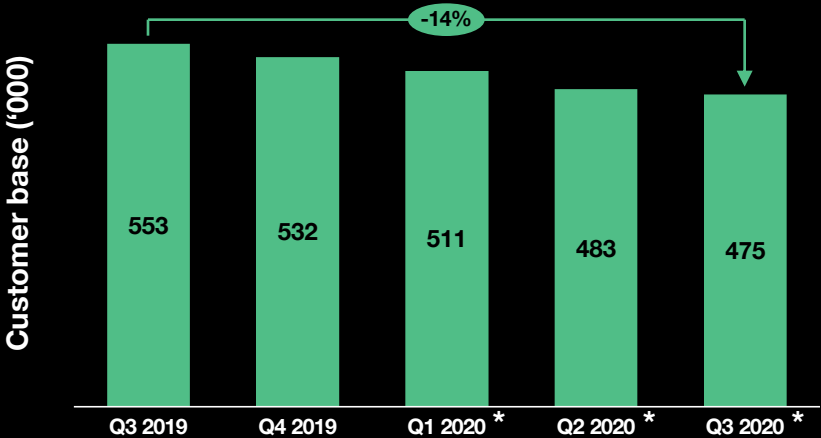
*Impacted by COVID-19

Growth of the mobile postpaid customer base supported by success of the Go portfolio, despite highly competitive environment



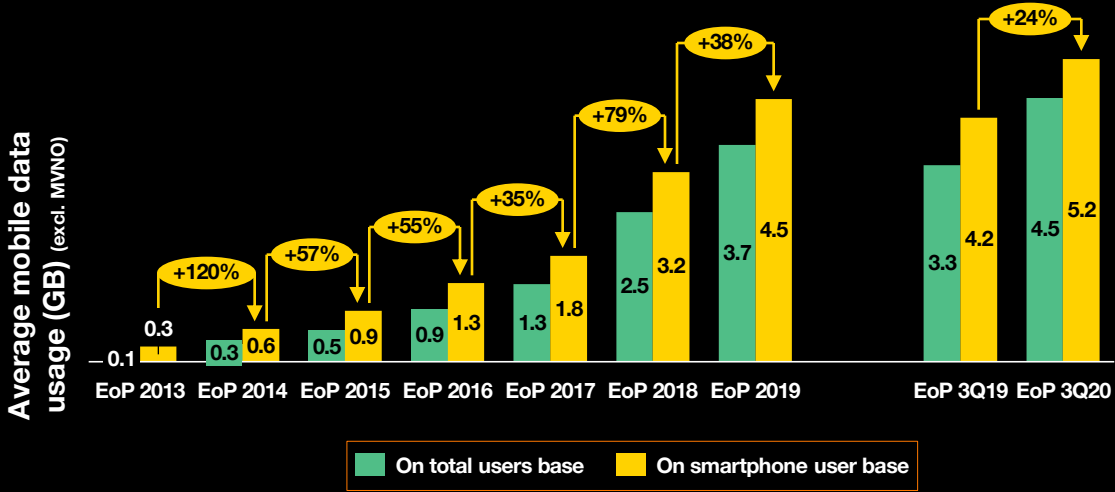

*Impacted by COVID-19

Mobile prepaid: slower decline in Q3




*Impacted by COVID-19


Mobile: Average mobile data usage above 5 GB

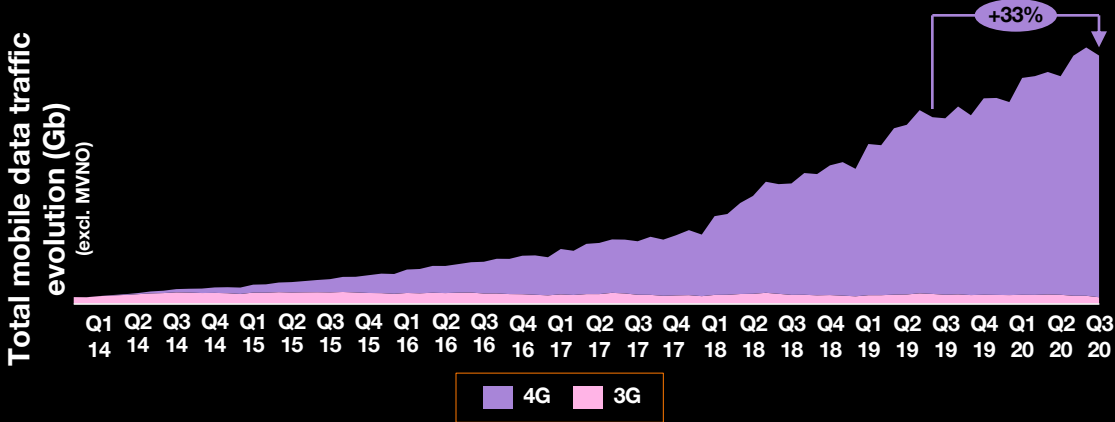
5.2 GB
Average mobile data usage (smartphone), +24% yoy



97%
% 4G in total traffic (Q3'19: 95%)

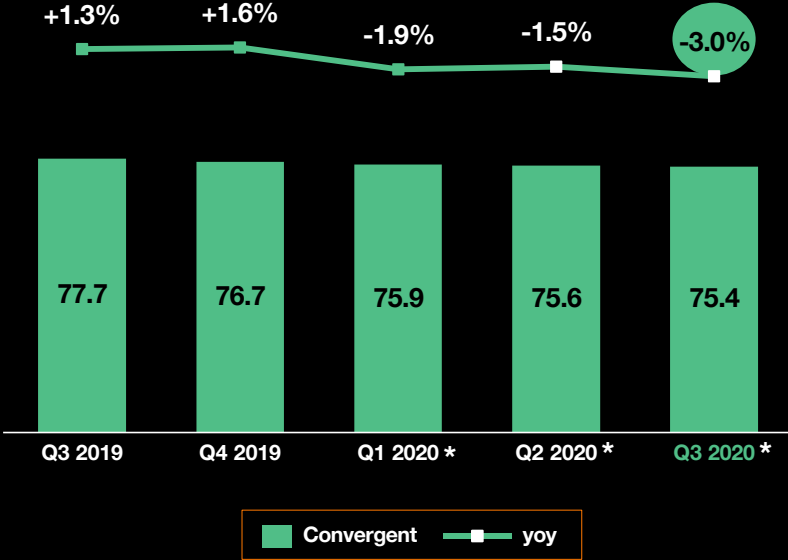


+33%
Total mobile data traffic yoy increase

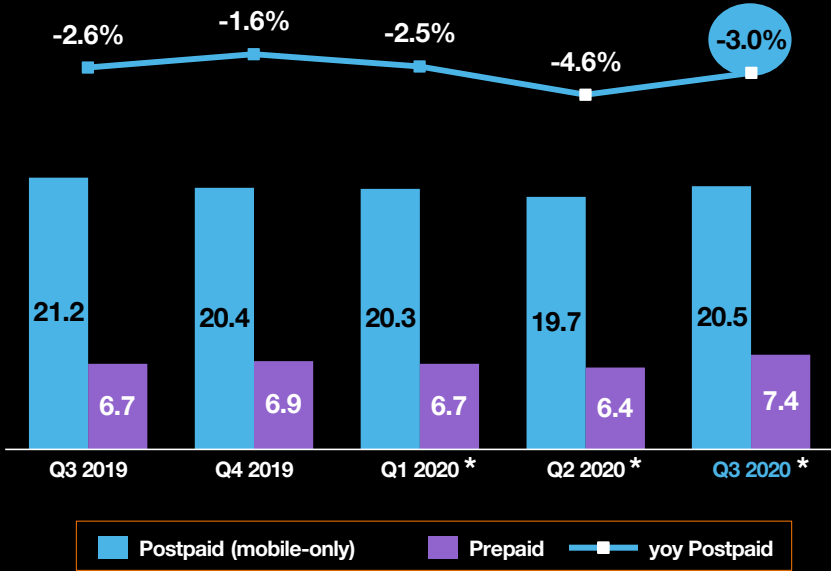


Roaming decrease impacts B2C convergent ARPO and mobile-only ARPO

Quarterly B2C convergent ARPO (€)



Quarterly mobile only ARPO (€)



*Impacted by COVID-19

Regulatory update (1/2)



Fiber wholesale tariffs

- 30 September 2020: BIPT launched a consultation on the monthly wholesale tariffs for access to the Proximus fiber network
- 30 October 2020: consultation ends



Cable Networks

- 8 October 2020: BIPT launched a consultation on the one off charges related to wholesale services on the cable networks
- 12 November 2020: consultation ends



Network sharing agreement with Proximus

- 25 November 2019: Orange Belgium and Proximus signed an agreement to establishing a 50-50 JV on radio mobile access network sharing, covering 2G, 3G, 4G and 5G technologies
- 10 January 2020: National competition authority provided the BIPT an additional period of 2 months during which they can further assess the agreement
- 16 March 2020: expiry date of the interim measures
- 1 April 2020: the employees of Proximus and Orange Belgium were transferred to the JV, named Mwingz
- 9 October 2020: Nokia was selected as supplier for the existing 2G/3G/4G mobile radio network and for the roll-out of the 5G RAN
- The procedure on the merits is ongoing

Regulatory update (2/2)

- End 2019, the BIPT launched a consultation regarding various spectrum related matters mainly to deal with intermediate and/or associated spectrum matters



the extension of the 900 MHz, 1800 MHz and 2100 MHz licenses beyond the current expiry date of March 2021



the proposal to increase the reserve price for the 3.6 GHz spectrum band



the new framework for private “5G” licenses in the 3.8-4.2 GHz band

- Orange Belgium considers that spectrum allocations should give long-term visibility, together with deployment obligations to ensure operators effectively invest and use spectrum in an efficient and effective way
- 11 September 2020: action groups against 5G appealed the BIPT decisions to grant temporary usage rights in the 3.6-3.8 GHz band before the Market Court of Brussels. A judgment is not expected before Q2 2021
- 22 September 2020: BIPT granted the authorization to Citymesh (sole candidate) for the remaining 2.6 GHz license of 2 X 15 MHz
- 13 October: BIPT granted four operators (Orange, Proximus, Telenet and Cegeka) temporary usage rights in the 3.6GHz-3.8GHz band for 5G services
- 13 October: BIPT decided to extend Gridmax’s license for spectrum in the 3.5 GHz band with five years
- The structural auction for the mobile spectrum is not expected before H2 2021. The federal government agreement does not provide clarity on the final conditions or on the timing



Spectrum and 5G auction



Simplification

- Migration from legacy offer on-going (for B2C to Go offers)
- RFP launched for renegotiation of IT contracts with partners
- RAN sharing agreement with Proximus and supplier selected for the mobile radio network



Digitalization

- Focus on non-physical sales channels
- Increase of customer digital interactions
- IT digital transformation



Empowerment

- New agile HR organization to support transformation
- New way of working to support remote and hybrid teams
- Boost of internal mobility

3 year transformation plan:
2019 - 2021

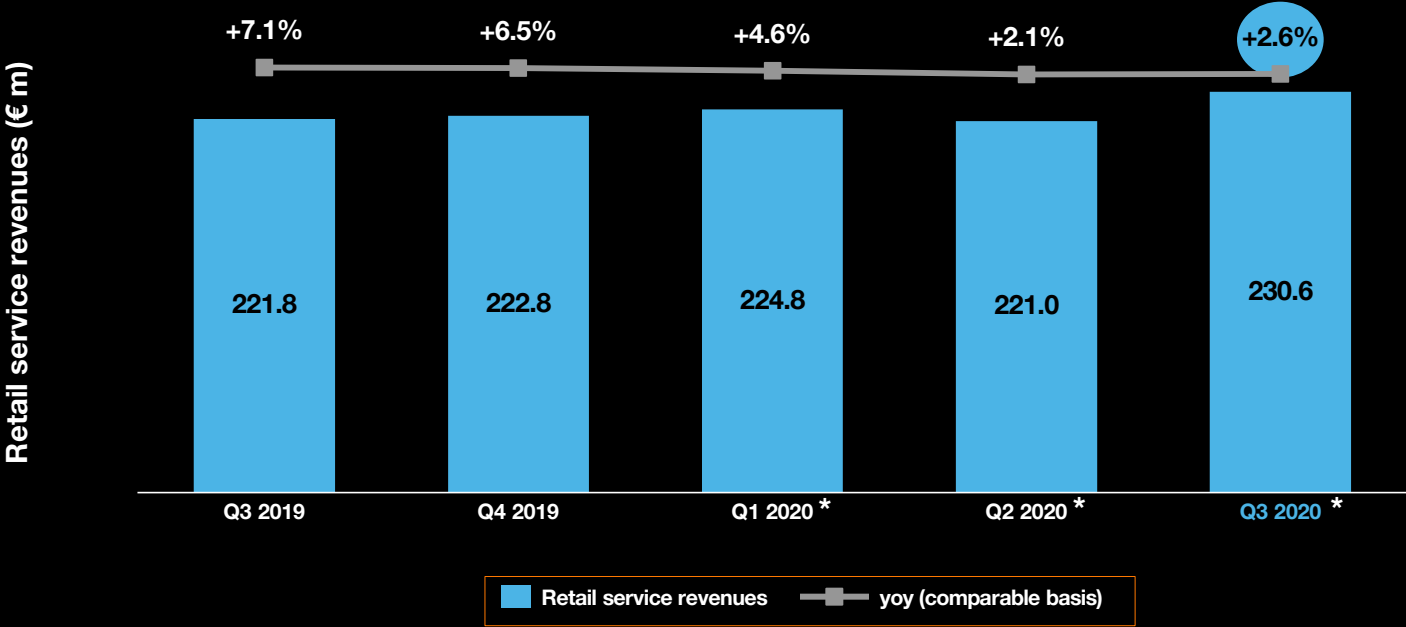
Section three

Financial

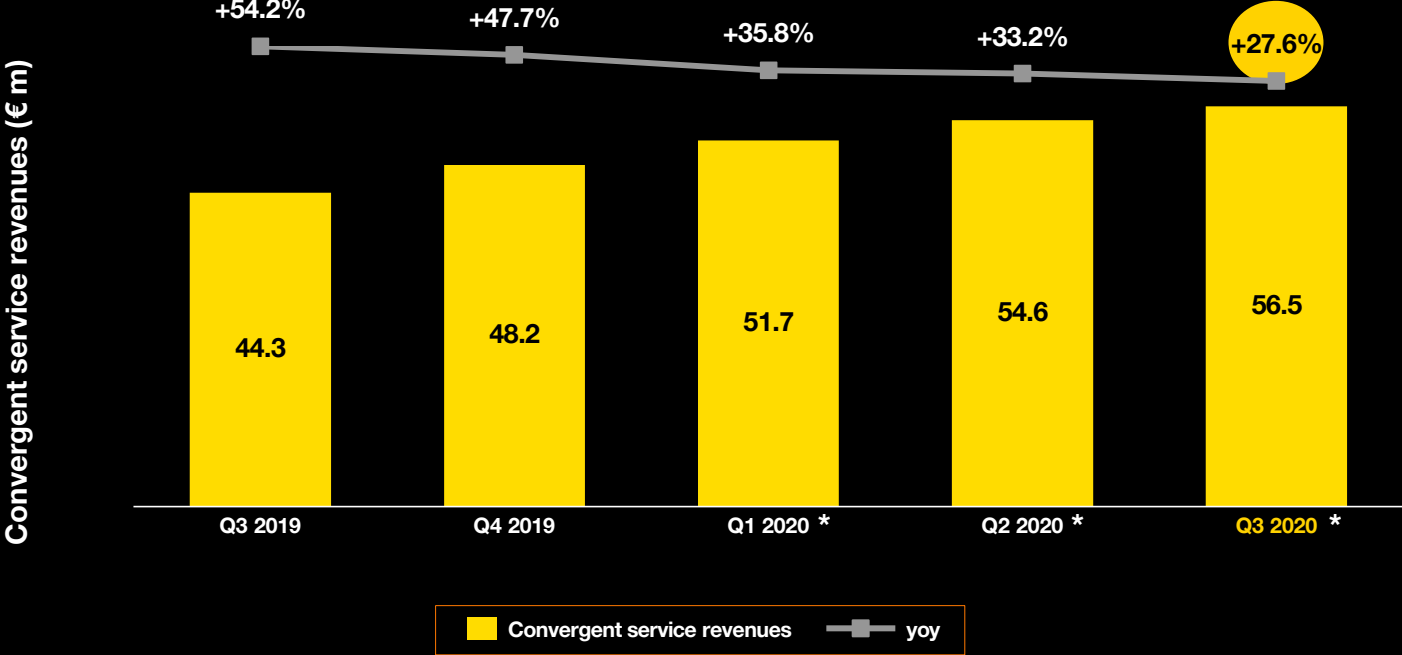
Results



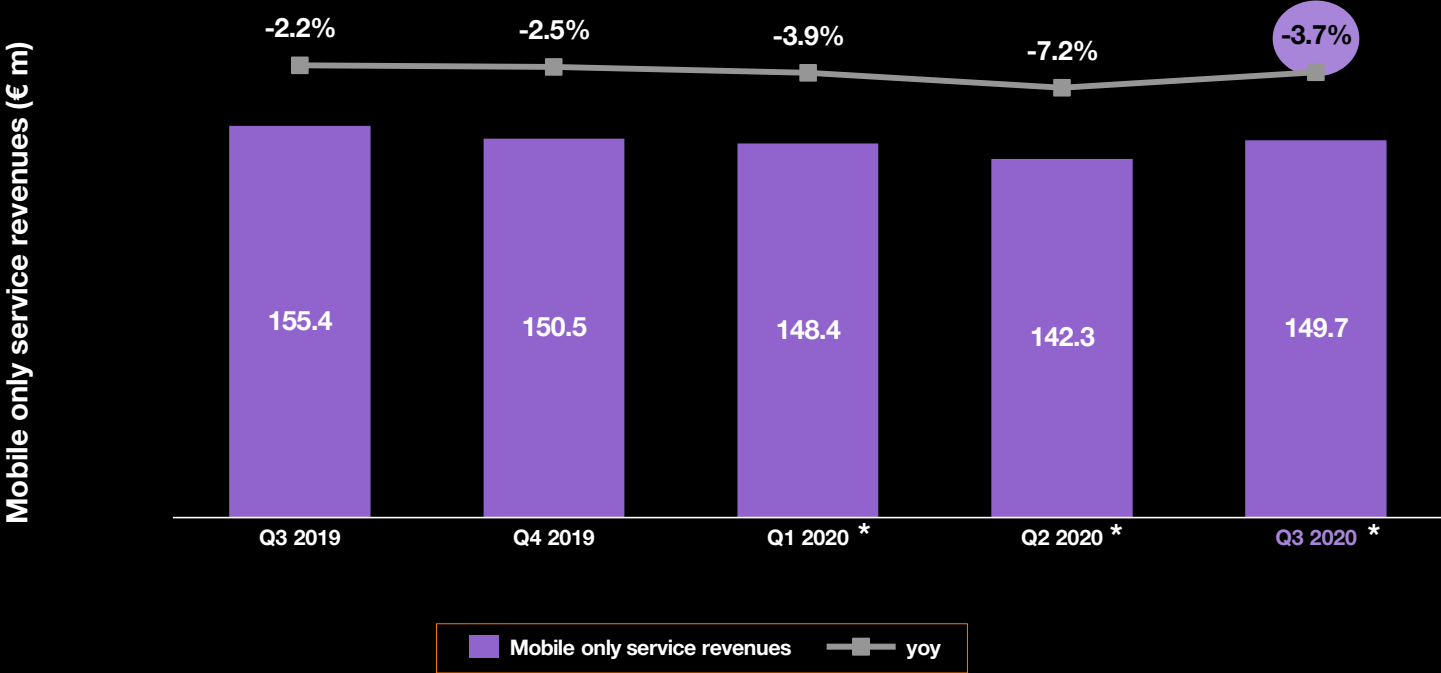
Retail service revenues: continuous growth trajectory



Convergent service revenues: attractiveness of the Love offers results in strong continuous growth

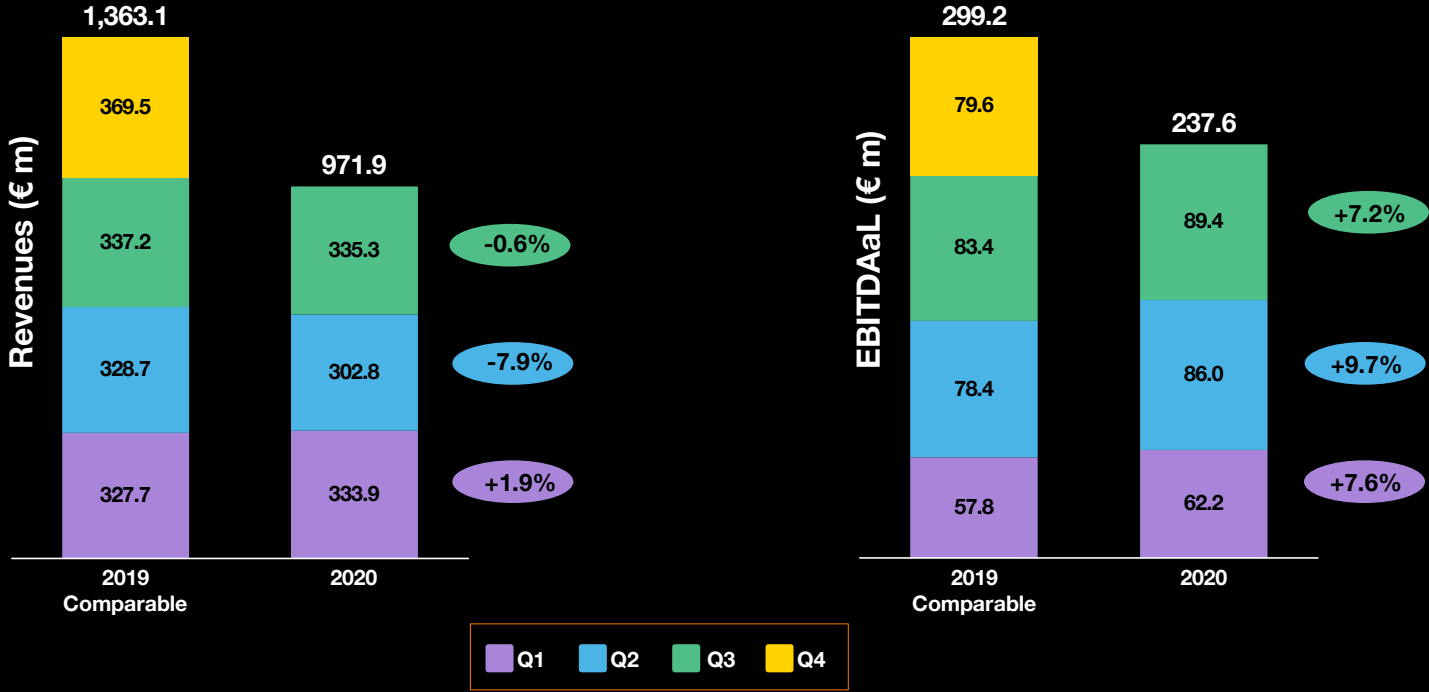


Success of convergence impacts mobile only service revenues



*Impacted by COVID-19

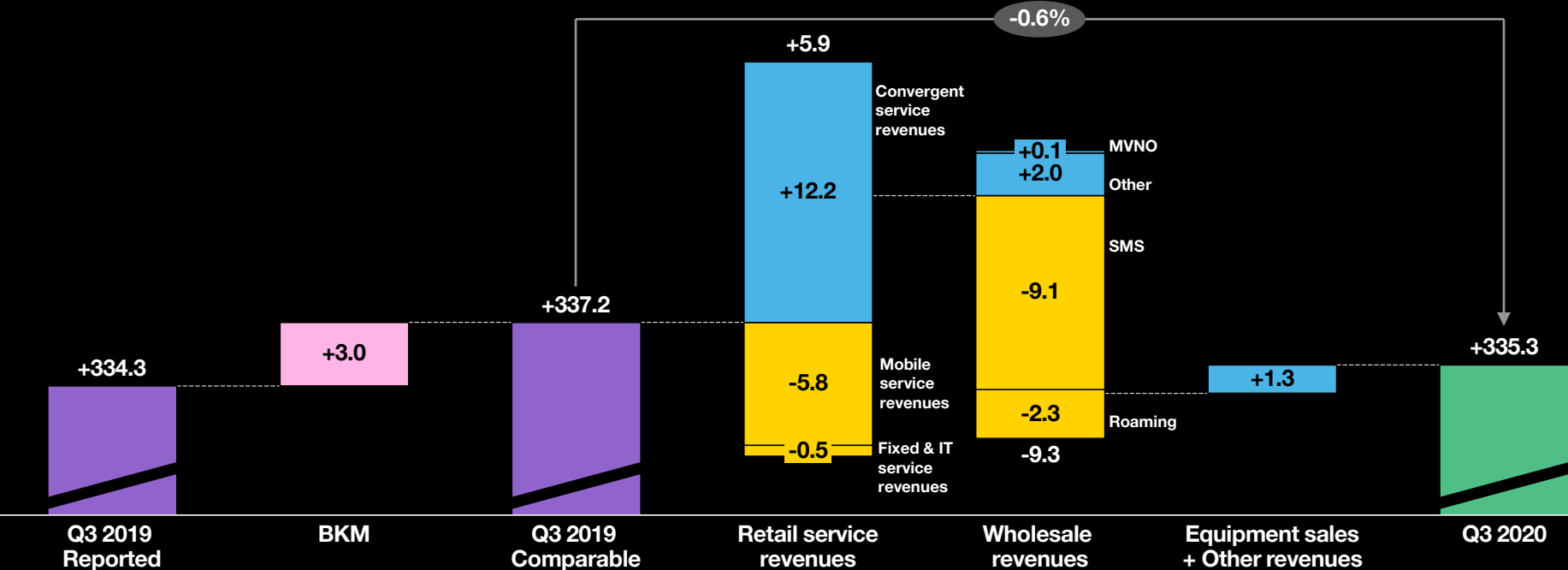
Orange Belgium Group: Q3 2020 strong EBITDAaL growth continues



2020 figures impacted by COVID-19

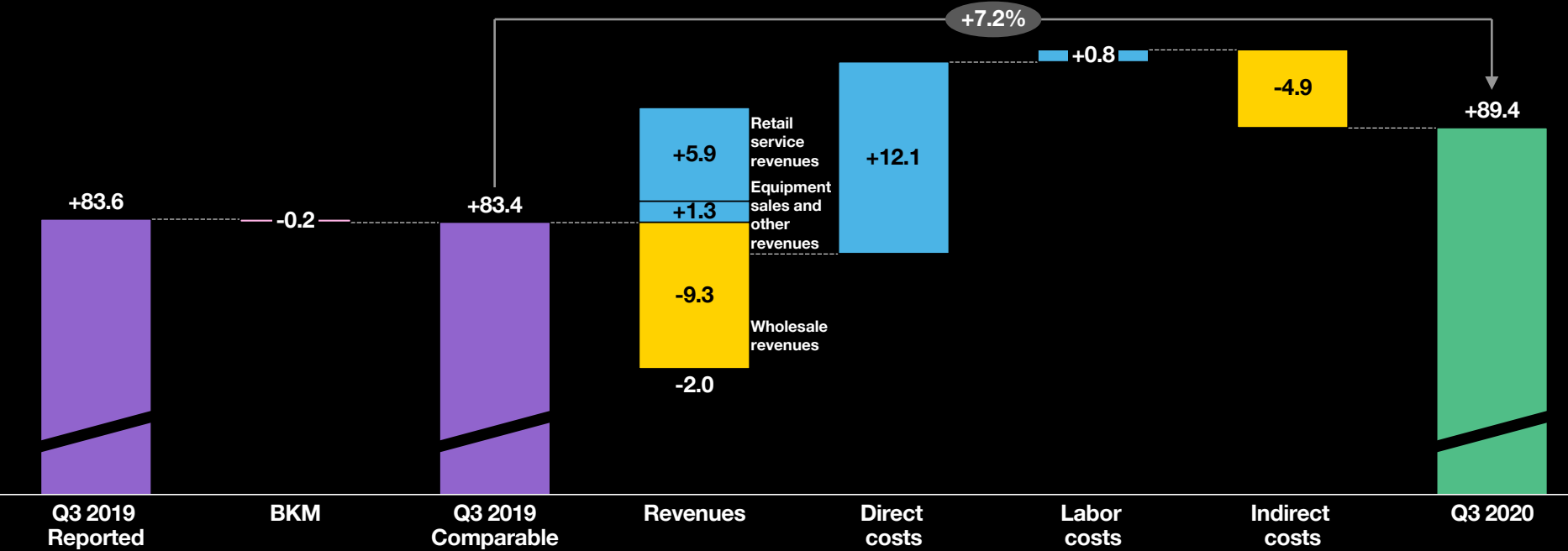
Retail service revenues increased by 2.6% yoy on a comparable basis

Revenues evolution (€ m)



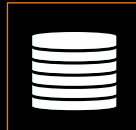
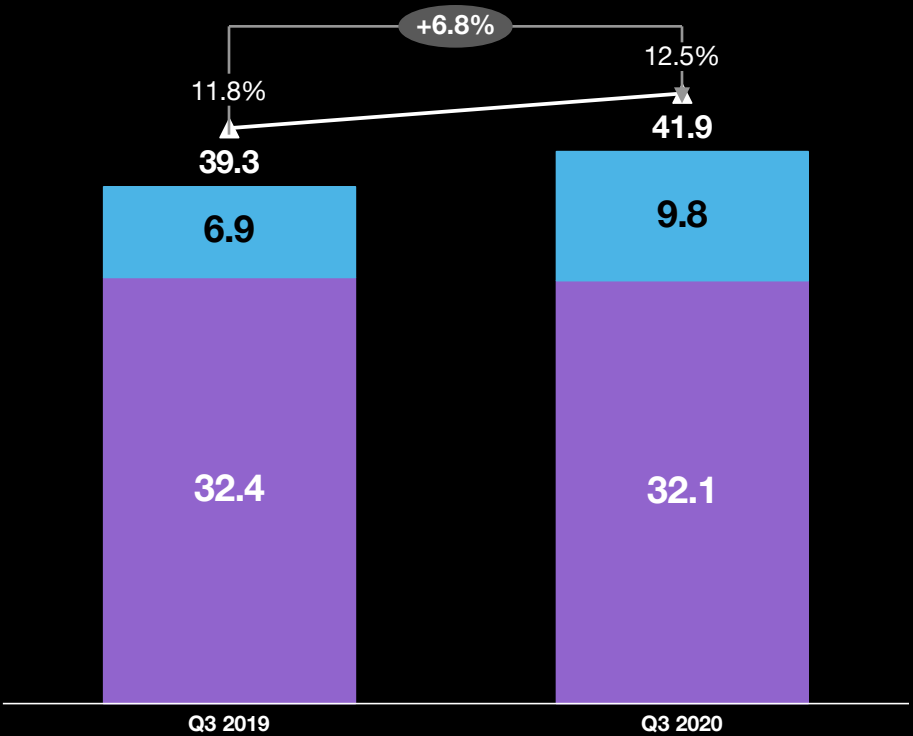
Higher retail service revenues and cost efficiencies boost EBITDAaL

EBITDAaL evolution (€ m)

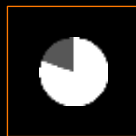


Q3 2020 eCapex

eCapex (€ m)



Net debt
€135.3 m



Net debt/EBITDAaL
0.4x

■ Cable capex incl. CPE, IT & Network, etc. ■ Core capex ▲ Total capex to total revenues ratio

Cable operations – Another quarter of positive EBITDAaL

Revenues



€36.7 m

Variations

+33%

EBITDAaL:



€5.3 m

+€3.1 m

eCapex:



€9.8 m

+43%

Operating
cash flow:



- €4.5 m

+€0.2 m

Section four

2020 guidance



2020 guidance confirmed

2020 Guidance

Q1'20

H1'20

9M'20

	Revenues growth	Slight decrease in revenues vs. 2019 on a comparable basis	+1.9%	-3.0%	-2.2%
	EBITDAaL	€310-330 m	€62.2m	€148.2m	€237.6m
	eCapex	Slight decrease vs. 2019 (including the RAN sharing agreement)	-4.8%	-18.7%	-10.3%

Outlook



- Reduced headwinds in comparison to 2019
- Brand fees: full year impact
- MVNO revenues: full year impact of Medialaan
- Final decision on cable regulation applicable as of July
- Savings with our Bold Inside program
- COVID-19 impact: decrease in SMS traffic, roaming traffic, handset sales, B2B IT & Integration services, potential B2B bad debt, in parallel to the mitigation measures applied

Section five

Q&A



Be Bold

Set the vibe

Q3 2020

Financial Results

**Orange
Belgium**

October 23, 2020

