

Be Bold

Set the vibe

Q4 2020

Financial Results

**Orange
Belgium**

February 5, 2021



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.



Q4'20:

**Strong commercial and
financial results despite
COVID-19 crisis**

2020 guidance achieved

Section one

COVID-19

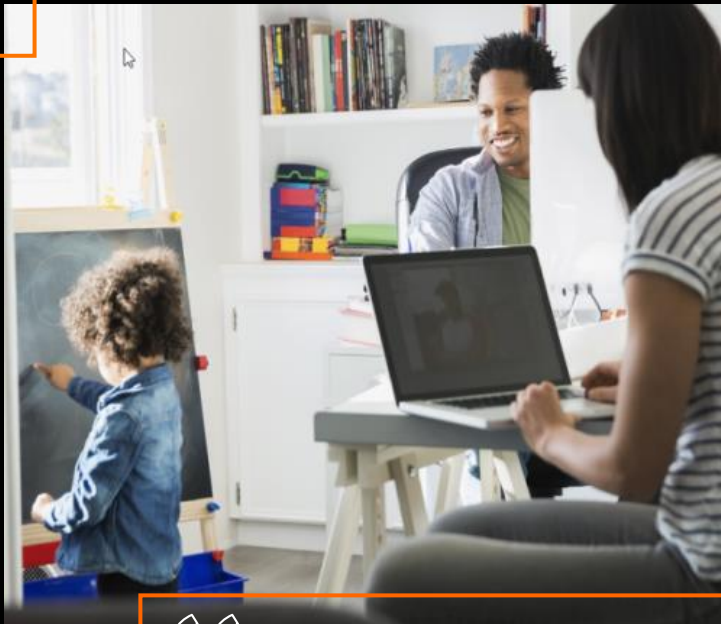
impact



Orange Belgium announced various initiatives to help everyone staying connected when fighting the COVID-19 pandemic

Q4'20 initiatives:

- 1 5GB free data /month to all mobile customers until year-end
- 2 50GB of free internet on top of the existing mobile data amount for FlyBox
- 3 Orange Belgium shops remained open
- 4 Orange Belgium customer service remained available
- 5 Teleworking mandatory for all Orange Belgium workers



Orange Belgium strongly believes it is part of its **societal commitment** to help fighting the COVID-19 pandemic



COVID-19 impact in Q4'20:

€38.3m total impact on revenues yoy – mitigated on the EBITDAaL



Commercial

- lower acquisition of mobile customers and convergence
- lower handset sales
- decrease in SMS and roaming traffic



Revenues

- Lower incoming SMS - €13.8m
- Lower visitor roaming - €2.2m
- Lower customer roaming - €2.3m
- Lower handset sales - €20.0m
- Lower B2B revenues due to frozen project



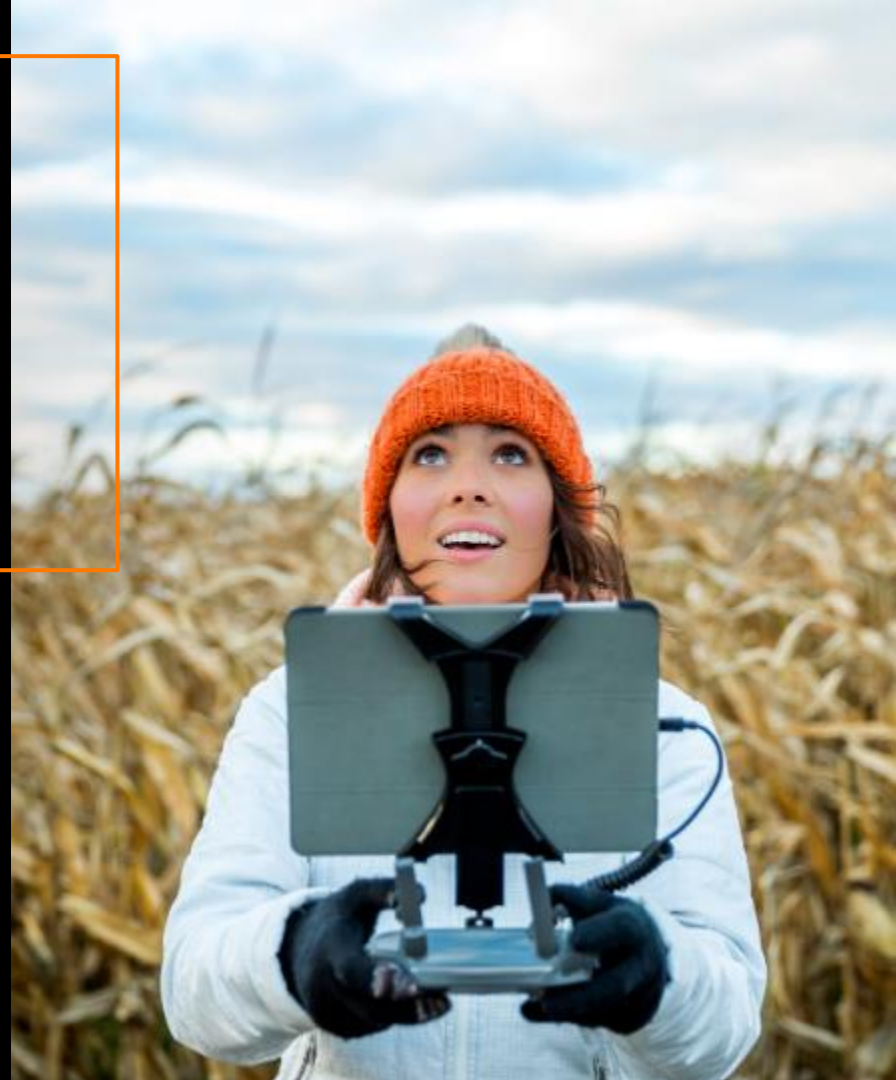
EBITDAaL

- Lower incoming SMS have no impact on EBITDAaL
- Declining roaming is compensated by lower roaming costs
- Lower equipment sales have limited impact on EBITDAaL
- Mitigation measures applied

Section two

Q4 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

Go Plus Unlimited: highly attractive special edition

Special edition

Go Unlimited

~~40€~~
30€
per maand






Nu of nooit:
alles onbeperkt voor maar 30 €/maand.
Word snel Go Unlimited, bel 0800 8 5000.

Geniet van Go Unlimited voor 30 € i.p.v. 40 € per maand. Actie geldig van 10/11/2020 t.e.m. 04/01/2021.
Aanbieding niet compatibel met het multiproductvoordeel. Info en voorwaarden op orange.be






Orange Belgium launches its first Internet-only offer

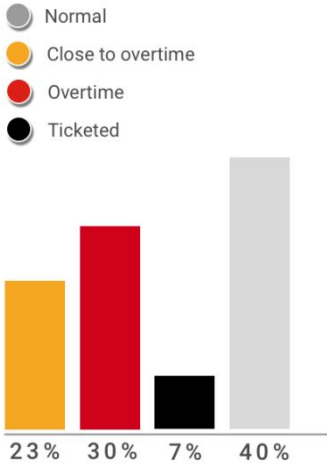
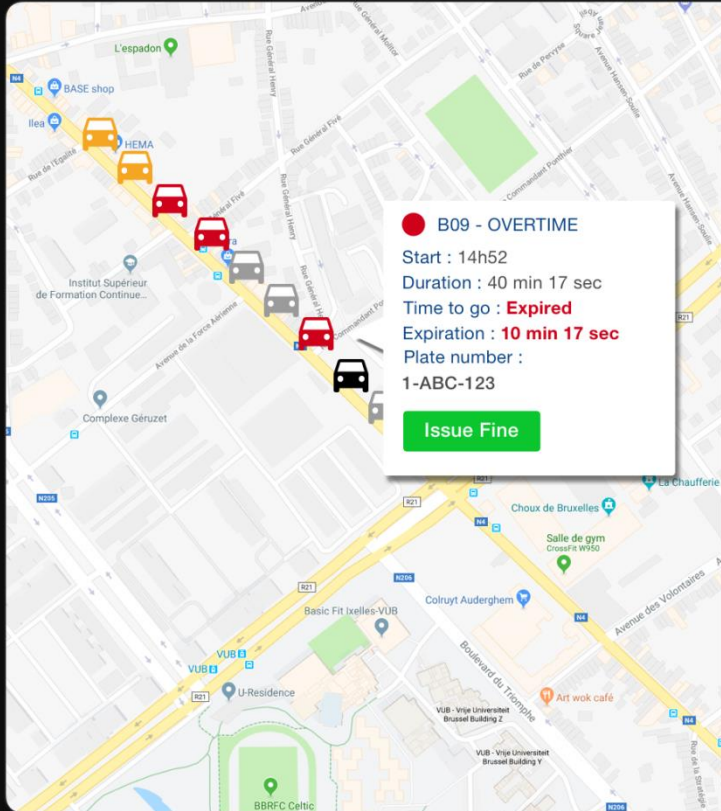
Offer

<h2>Home Internet</h2>  <p>Unlimited Download 100Mbps Upload 5 Mbps</p> <p>40 € /month</p>	<h2>Home Internet & TV</h2>  +  <p>Unlimited Download 100Mbps Upload 5 Mbps</p> <p>70 channels Including premium content</p> <p>55 € /month</p>
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Options

<h3>Fixed Phone</h3> <p>Unlimited national calls + to fixed lines in several countries</p> <p>10 €/month</p> 	<h3>Internet Boost</h3> <p>Via VOO's cable : 400 Mbps / 20 Mbps Via Telenet's cable : 400 Mbps / 40 Mbps</p> <p>15€/month</p> 	<h3>Orange Belgian Football</h3> <p>For only 10,99€/month</p> 
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The city of Bruges launches Smart Parking solutions



A - Parking Europe

Total spots number : 12

● 7 ● 1 ● 1 ● 3

H - Parking French-Fries

Total spots number : 5

● 0 ● 1 ● 2 ● 2

“ We believe a **relevant usage of technology** can help overcome major societal issues ”

1st telecom operator worldwide to launch a SIM card made of 100% recycled plastic

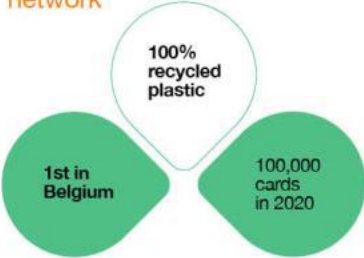
Ever greener SIM cards

For private customers and businesses



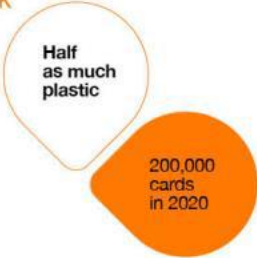
Eco-SIM

= SIM card for connecting a mobile phone to the mobile network



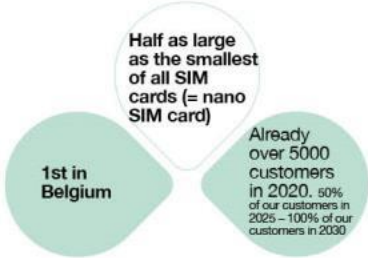
Half ID SIM

= SIM card for connecting a mobile phone to the mobile network



eSIM

= SIM card integrated directly into the mobile phone



Together towards a more sustainable world



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



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**

Q4 2020 Key achievements




**Mobile contract
excl. M2M**
2.6 m
+2.4% yoy

Belgium




**Cable
customers**
326 k
+26.3% yoy

Belgium



Net additions
Mobile contract
excl. M2M **+26 k**
Cable
customer **+22 k**

Belgium



20.3%
of total
postpaid
mobile base is
convergent

Belgium

Revenues
€343.0 m
-7.2% yoy




**Retail service
revenues**
€229.5 m
+3.0% yoy



EBITDAaL
€85.9 m
+7.9% yoy



eCapex
€70.9 m
+16.1% yoy



Results 2020 within guidance

2020 Guidance

		Q1'20	H1'20	9M'20	FY'20		
	Revenues [*] growth	Slight decrease in revenues vs. 2019 on a comparable basis	+1.9%	-3.0%	-2.2%	-3.5%	
	EBITDAaL	€310-330 m	€62.2m	€148.2m	€237.6m	€323.5m	
	eCapex	Slight decrease vs. 2019 (including the RAN sharing agreement)	-4.8%	-18.7%	-10.3%	-1.4%	

* Retail service revenues increased by 3.1% in comparison to year 2019 (on a comparable basis)

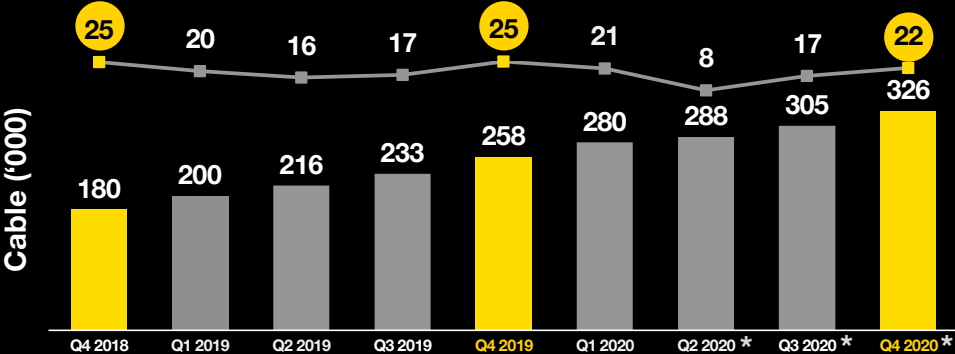
Section three

Operational

Results

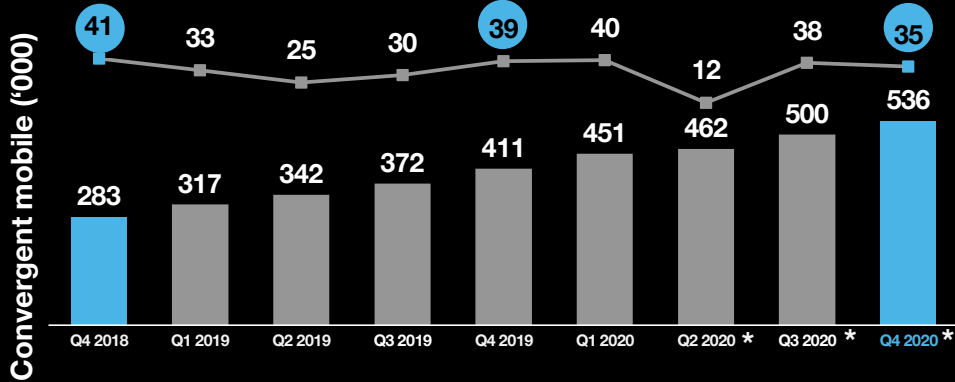


Cable net adds returned to pre-lockdown levels



+22k
Cable customer net adds

+26.3%
Cable customers yoy variation



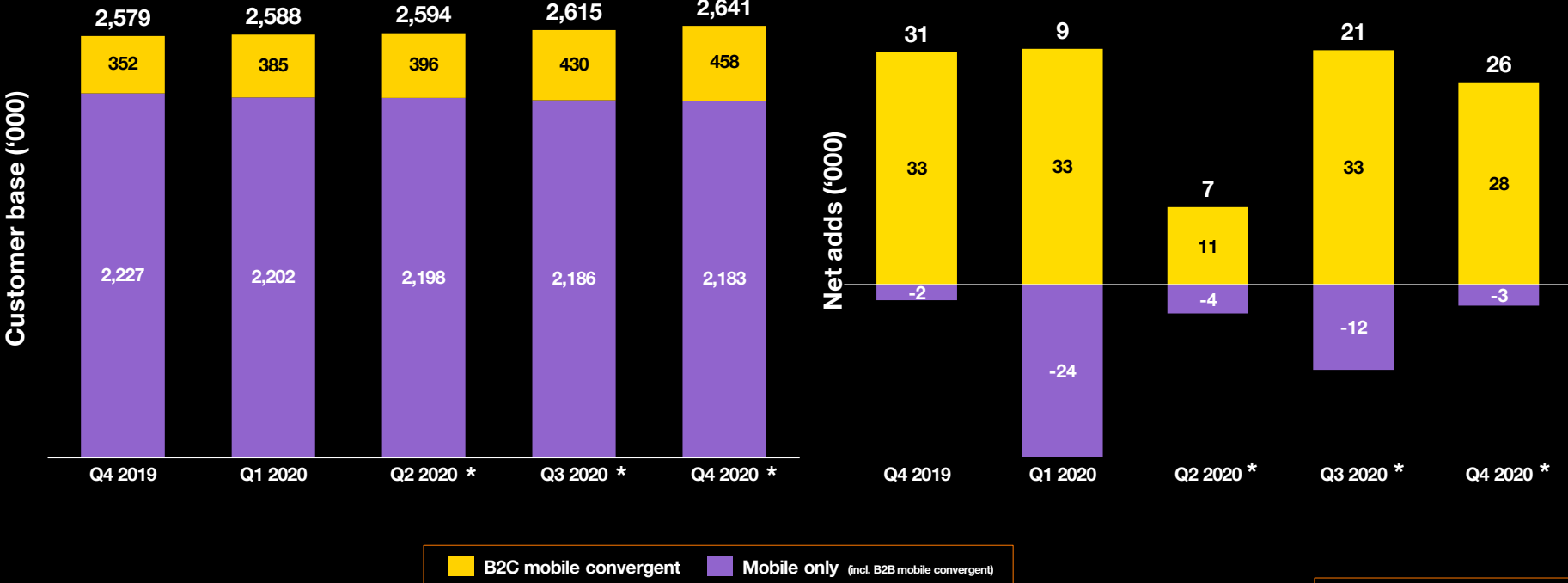
1.7
SIM cards per convergent customer

20.3%
of total postpaid mobile base is convergent (Q4'19: 15.9%)

■ Customers — Net adds

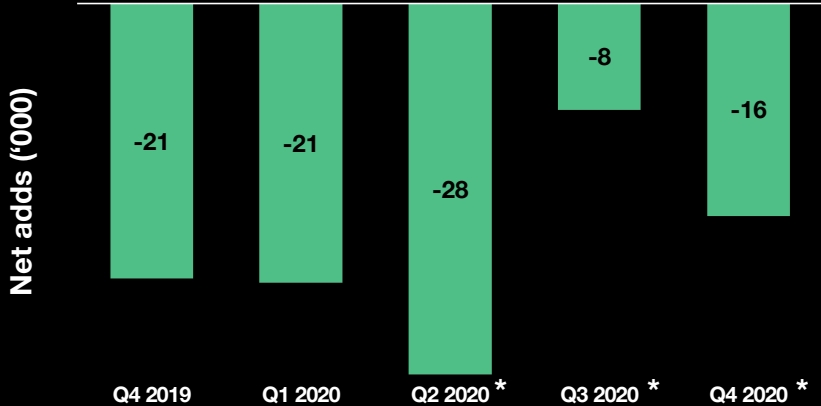
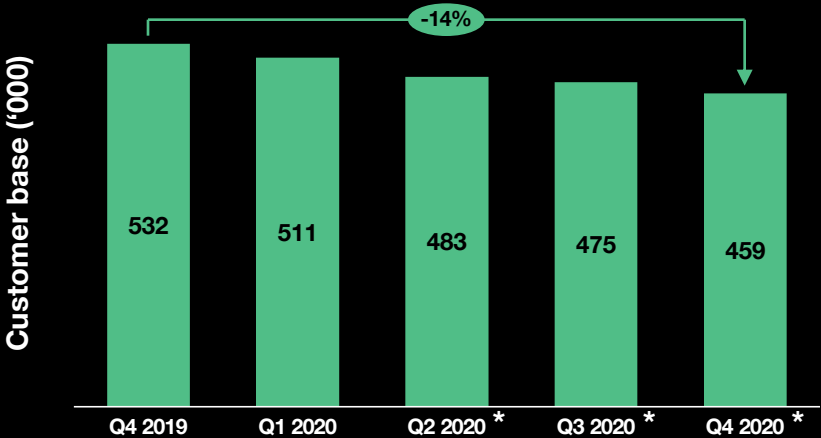
*Impacted by COVID-19

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



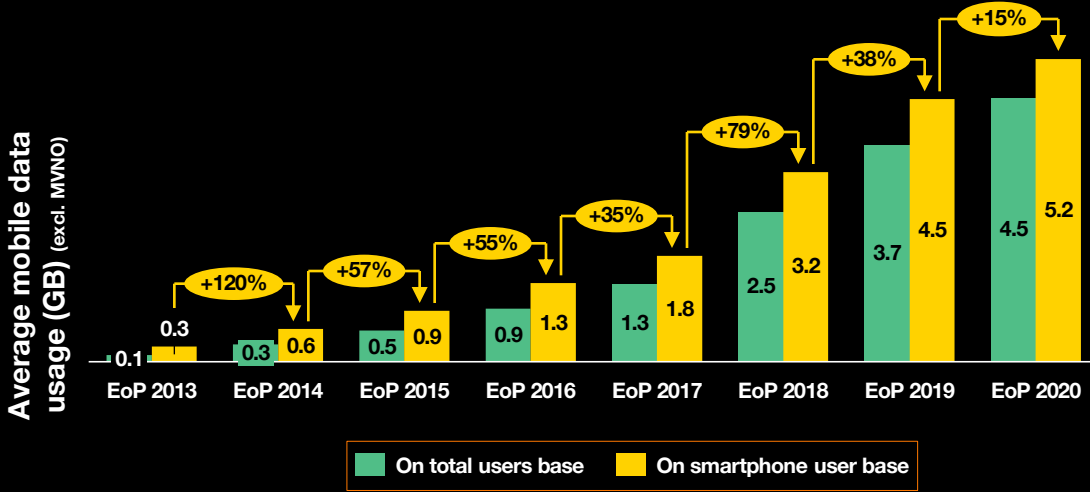

*Impacted by COVID-19

Mobile prepaid: slower decline in Q4

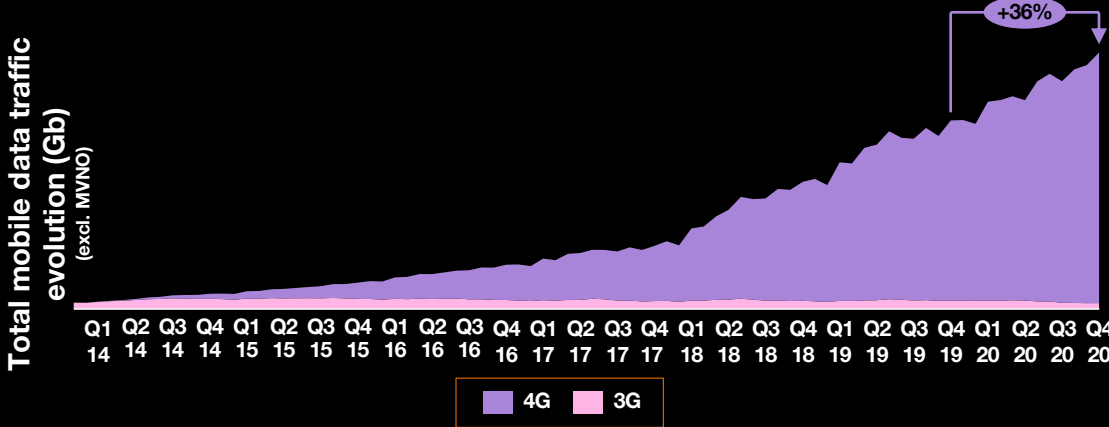



*Impacted by COVID-19


Mobile: Average mobile data usage above 5 GB

5.2 GB
Average mobile data usage (smartphone), 15% yoy

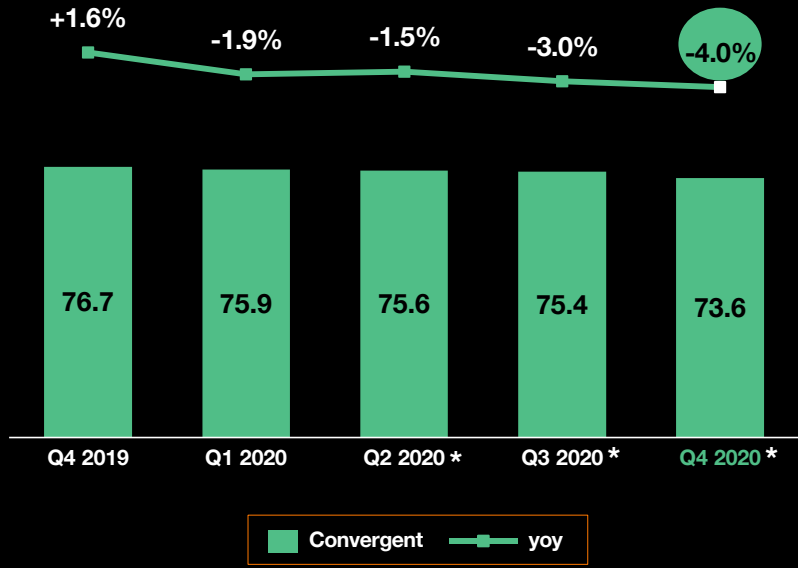
98%
% 4G in total traffic (Q4'19: 96%)



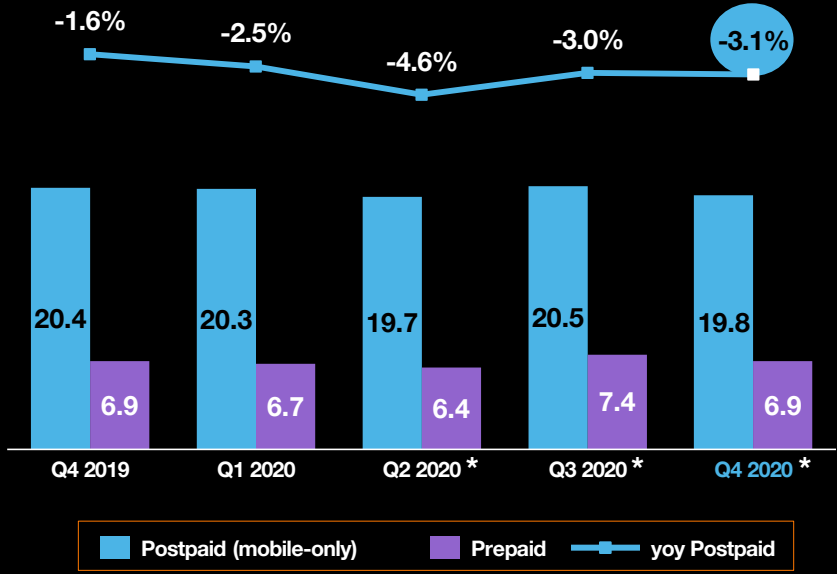
+36%
Total mobile data traffic yoy increase

Slight decrease in ARPOs

Quarterly B2C convergent ARPO (€)



Quarterly mobile only ARPO (€)



*Impacted by COVID-19

Regulatory update (1/2)



Fiber wholesale tariffs

- 30 Sept 2020: BIPT launched a consultation on the monthly wholesale tariffs for access to the Proximus fiber network. Decision expected Q1 2021
- Consultation on one-time fees launched Q1 2021, decision expected Q4.



Cable Networks

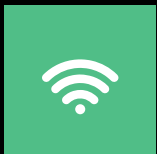
- 8 Oct 2020: BIPT launched a consultation on the one off charges related to wholesale services on the cable networks. Final decision expected Q2 2021
- Reference offer decision cable networks expected Q1 2021



Network sharing agreement with Proximus

- 1 April 2020: the employees of Proximus and Orange Belgium were transferred to the JV, named Mwingz
- 9 Oct 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)



Spectrum and 5G auction

- **13 Oct 2020:** BIPT granted four operators (Orange, Proximus, Telenet and Cegeka) temporary usage rights in the 3.6GHz-3.8GHz band for 5G services
- **Dec 2020:** publication of the Royal Decree permitting the BIPT to extend the license duration beyond 15 March 2021 for the 900, 1800 and 2100 MHz licenses. Immediately after this, the BIPT issued a consultation on a 1st extension of 6 months until mid-September 2021. Additional unique license fees are due.
- **2 Dec 2020:** BIPT launched a public consultation on the preliminary draft law and the draft Royal Decree concerning the security of 5G networks. Consultation ended 30 December 2020. Completed legal framework expected mid 2021.
- **End-Dec 2020:** Cegeka acquired control over Citymesh, while it acquired Gridmax earlier in 2020.
- **12 Jan 2021:** BIPT decided to extend Gridmax's license for spectrum in the 3.5 GHz band until 6 May 2025
- **14 Jan 2021:** BIPT launched consultation on the nation-wide extension of Citymesh's usage rights in 3.5 GHz frequency band. Consultation ends 12 February 2021
- **22 Jan 2021:** Government approved draft Royal Decrees and Law proposal that set-up the framework for attribution of 5G spectrum (700, 3400-3800 and 1400 MHz) and renewal of 900, 1800 and 2100 MHz licenses. Next phase is a potential approval by the Coordination Committee for the three regions. Nevertheless, Orange Belgium will closely monitor that all conditions won't be considered as discriminatory



Simplification

- Successful on-going migration from legacy offer to GO offers
- Nokia selected for its future mobile radio network



Digitalization

- Non-physical sales channels boosted
- New and unique customer service number launched
- Launch of IT digital transformation



Empowerment

- New agile teams for digital transformation
- Scale-up of agility to major IT projects
- Efficiencies

3 year transformation plan:
2019 - 2021

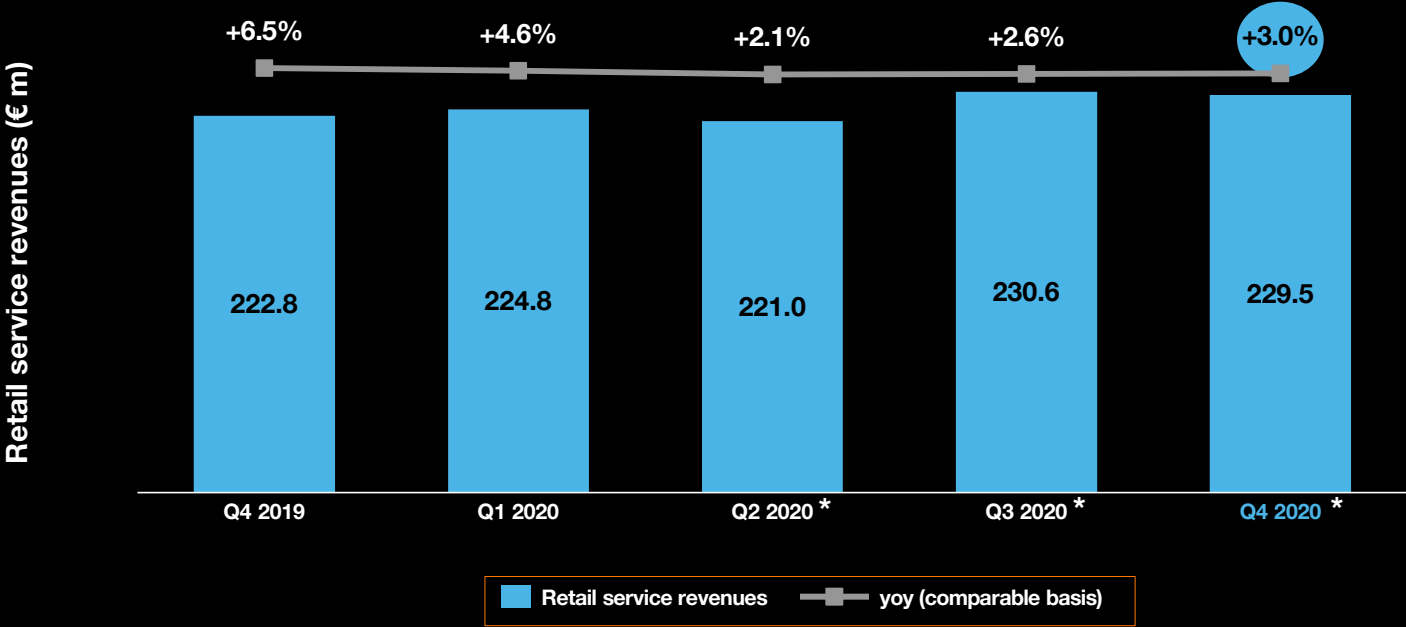
Section four

Financial

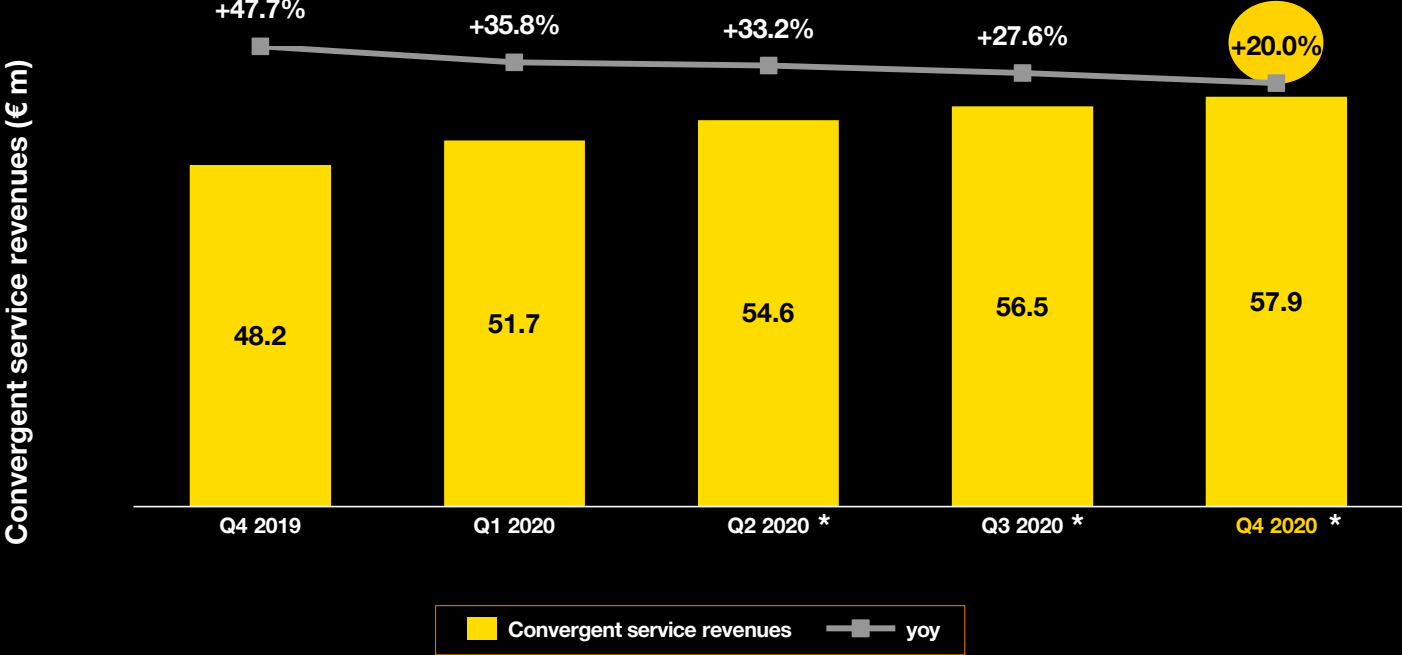
Results



Retail service revenues: continuous growth trajectory

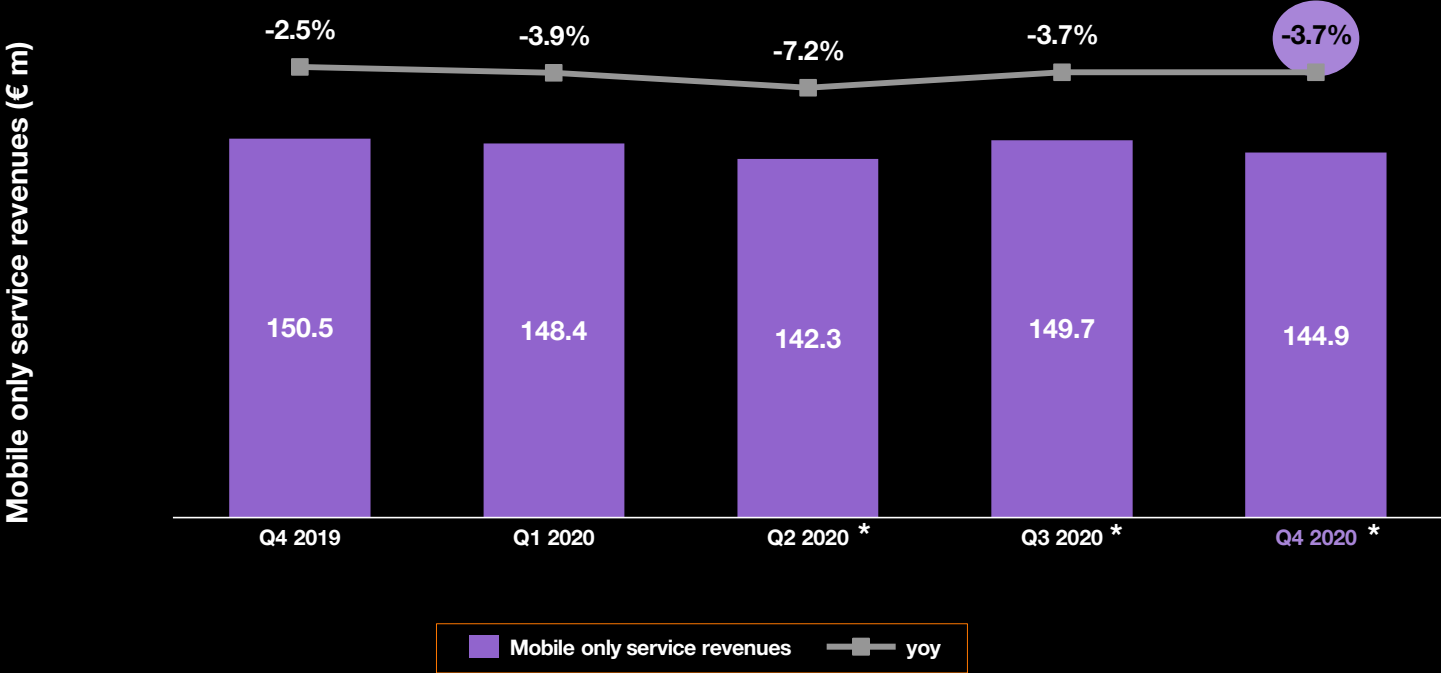


Convergent service revenues: attractiveness of the Love offers results in strong continuous growth



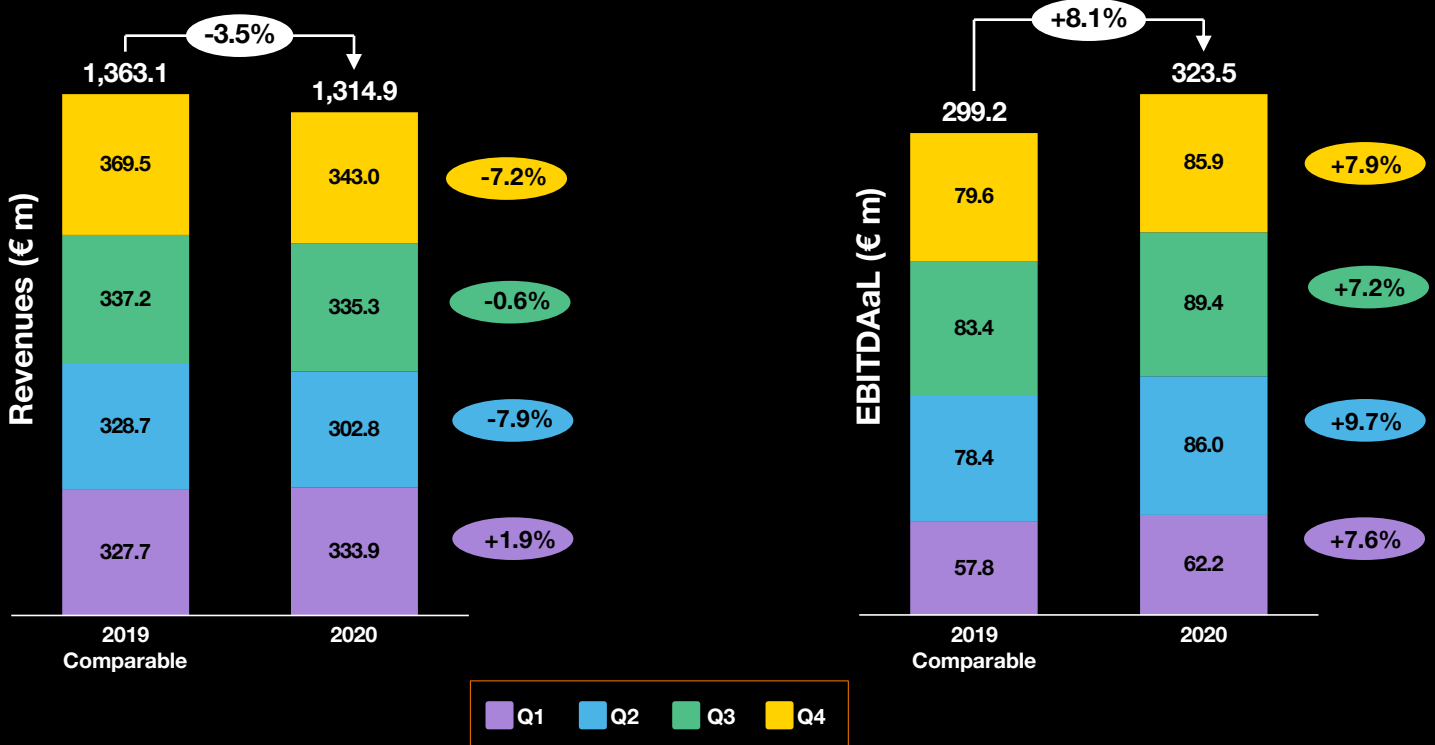
*Impacted by COVID-19

Success of convergence impacts mobile only service revenues



*Impacted by COVID-19

Orange Belgium Group: Q4 2020 strong EBITDAaL growth continues



2020 figures impacted by COVID-19

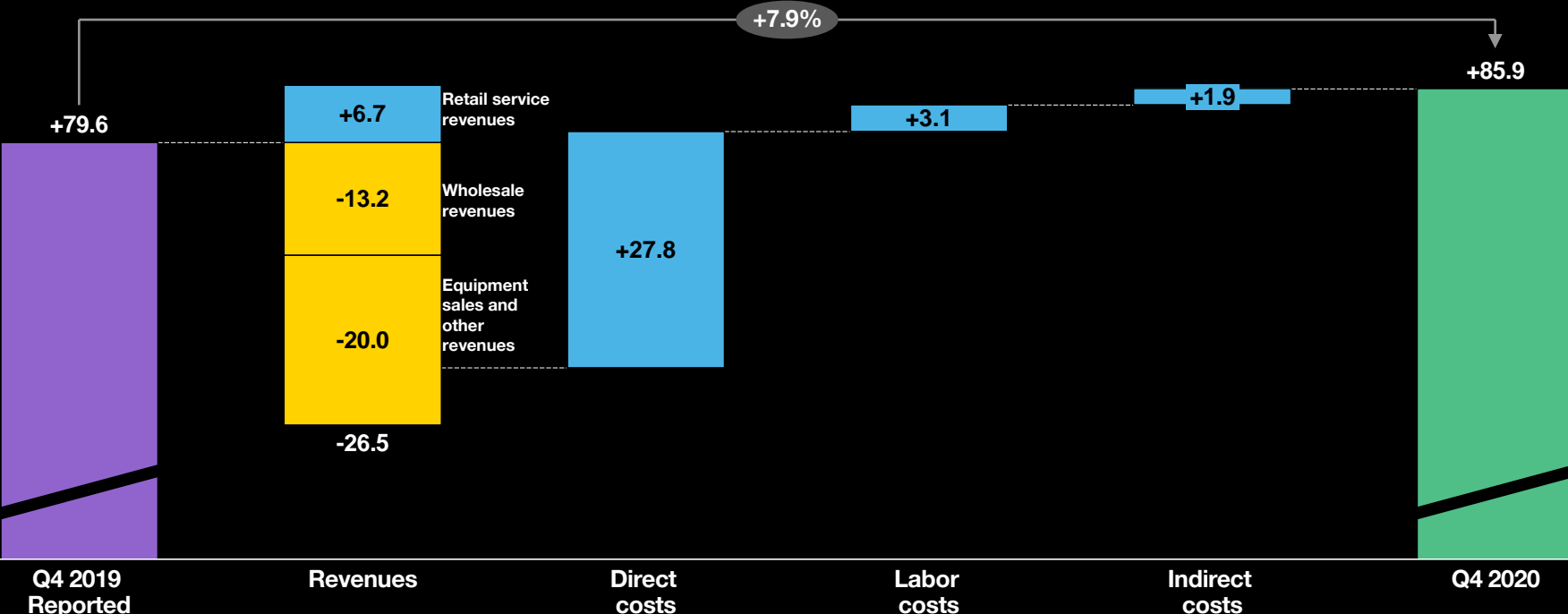
Retail service revenues increased by 3.0% yoy

Revenues evolution (€ m)



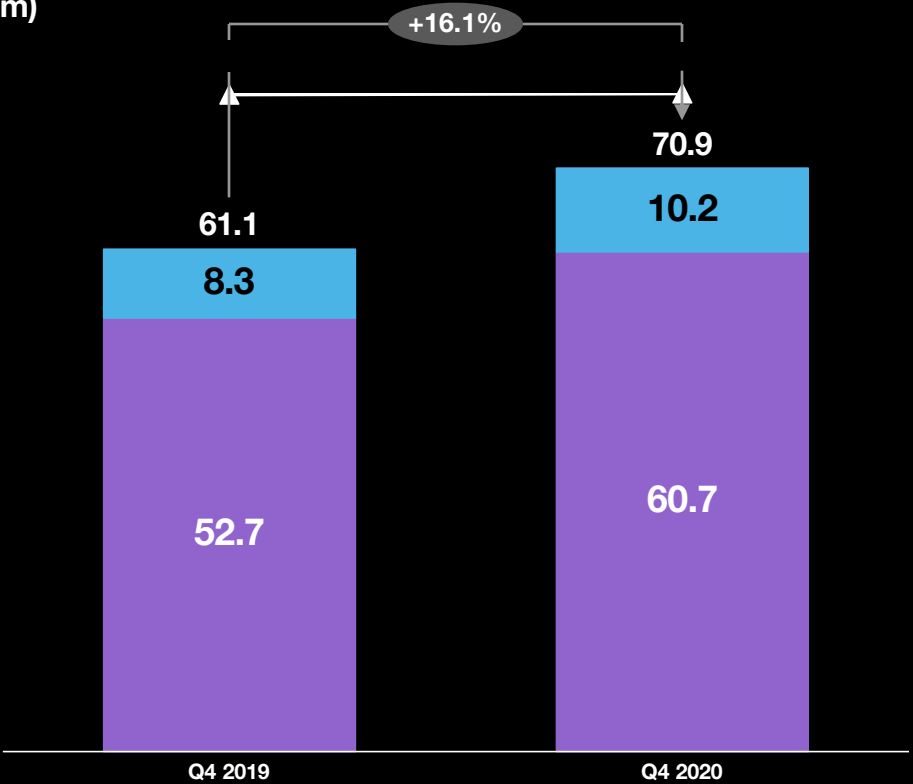
Higher retail service revenues and cost efficiencies boost EBITDAaL

EBITDAaL evolution (€ m)



Q4 2020 eCapex

eCapex (€ m)



Net debt

€144.9 m



Net debt/EBITDAaL

0.5x

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

Cable operations – Another quarter of positive EBITDAaL

Revenues



€39.3 m

Variations

+28%

EBITDAaL:



€7.0 m

+€3.7 m

eCapex:



€10.2 m

+22%

Operating
cash flow:



- €3.2 m

+€1.9 m

Section five

Dividend

Proposal to pay dividend of €0.50 for financial year 2020

Maintaining a balanced and sound financial position

Orange Belgium aims to provide an appropriate cash returns to equity holders while maintaining a balanced and sound financial position, thereby leaving sufficient leeway to continue to invest in its convergent strategy and the expansion of its network and other growth opportunities.

The Board of Directors will propose to the AGM to distribute a ordinary dividend for the financial year 2020 of €0.50 per share.

If approved, the payment of the dividend will be carried out on 19 June 2021 (ex-dividend date 17 June 2021; record date 18 June 2021).

Section six

2021 guidance



2021 guidance

2021 Guidance



Revenues
growth

Low single-digit growth vs. 2020



EBITDAaL

€320-340 m



eCapex

€200-220 m

Outlook

- COVID-19 impact in 2021:
financial and operational
- Wholesale price stable vs 2020
- eCapex guidance includes RAN
sharing implementation

Section seven

Q&A



Be Bold

Set the vibe

Q4 2020

Financial Results

**Orange
Belgium**

February 5, 2021

