

Orange Belgium

Q1 2019

Financial Results



April 24, 2019

Disclaimer

This presentation might contain forward-looking statements about Orange Belgium in particular for 2018. 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.

Section one

Q1 2019

Highlights

Q1 2019 Orange Belgium key achievements

Mobile contract excl. M2M

2.5 m

+6.9% yoy



Belgium

Convergent customers

200 k

+64.4% yoy

Love

Belgium

Net additions

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

Convergent customer **+ 20 k**

Belgium

12.7%

of total postpaid mobile base is convergent



Belgium

Revenues

€318.2 m

+3.8% yoy



Retail service revenues

€205.7 m

+13.5% yoy



EBITDAaL

€58.0 m

-3.8%* yoy

+14%* yoy excluding MVNO effect

eCapex

€36.9 m

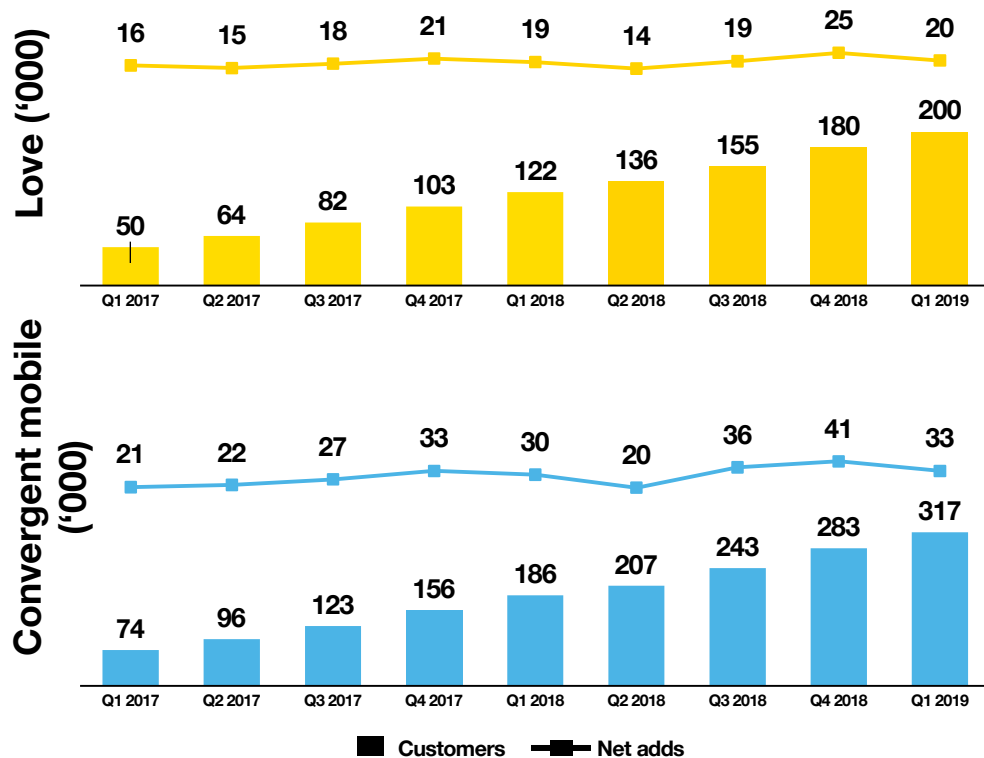
+16.1%* yoy

*based on 2018 comparable figures

Section two

Operational Results

Convergence: Love reached 200k customers, confirming its attractiveness



+20k

Love customer net adds,
+5.8% yoy

+64.4%

Love customers yoy
variation

1.6

SIM cards per convergent
customer

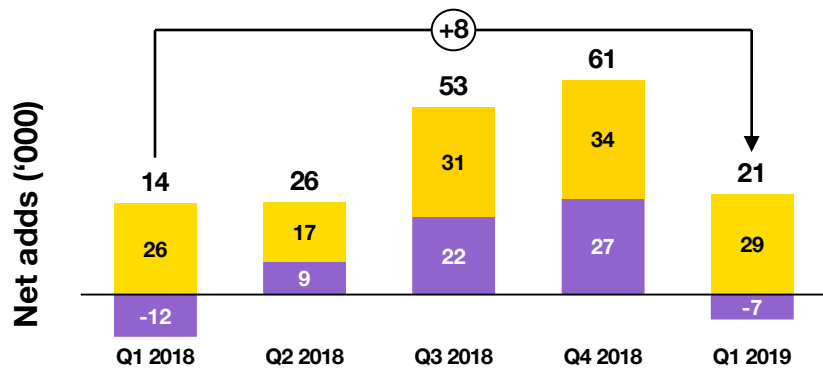
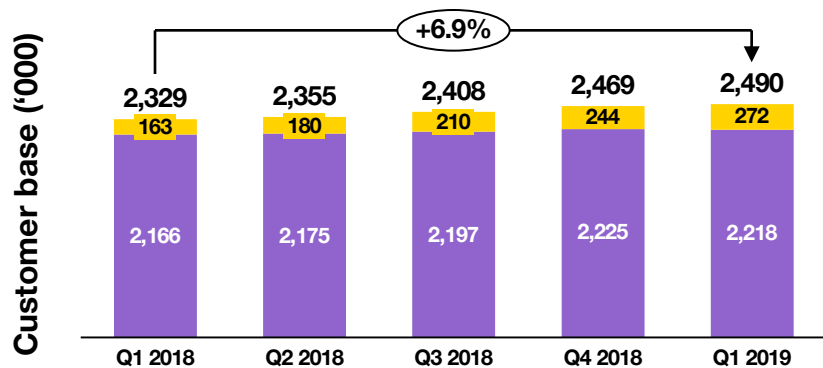
12.7%

of total mobile base is
convergent (Q1'18: 8.0%)

€38.1m

OBEL convergent service
revenues, +83.4% yoy

Mobile: Commercial momentum of mobile postpaid remains solid in Q1'19



■ B2C mobile convergent
 ■ Mobile only contract excl. M2M

561k

Prepaid customers,
-3.5% yoy

87%

Contract customers /
total base (Q1'18: 85%)

80%

Smartphone penetration
(Q1'18: 74%)

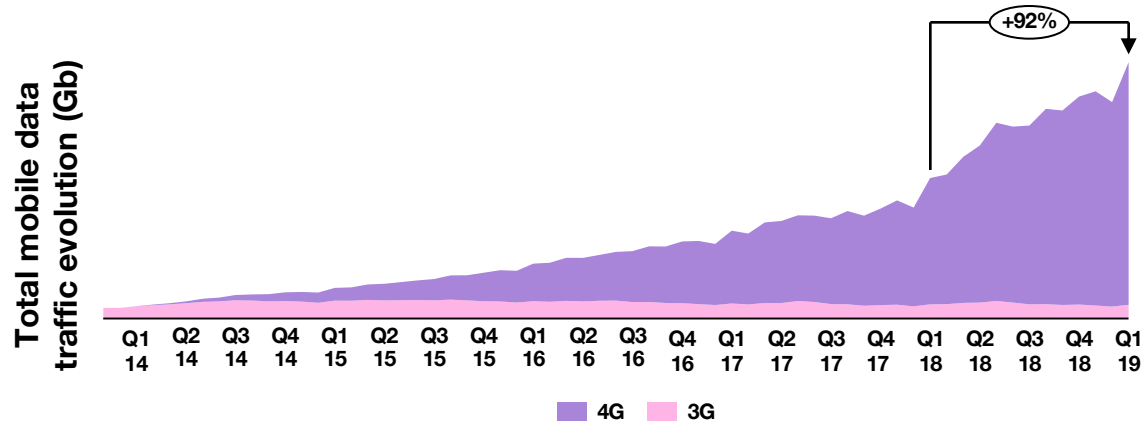
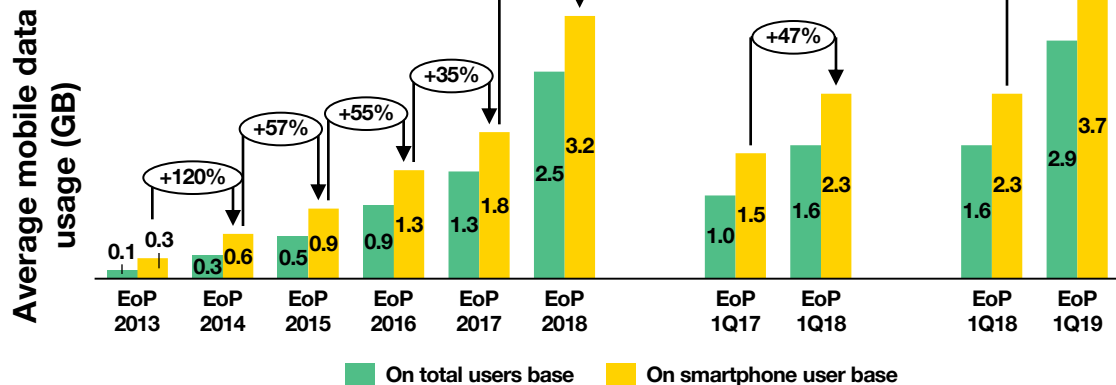
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MVNO customers,
-95.0% yoy

€154.4m

OBEL mobile only service
revenues, +3.0% yoy

Mobile: Unlimited plans catalyst for data usage growth in Belgium



2.4m

Mobile data active users, +11% yoy

68%

4G users/Total base (Q1'18: 61%)

95%

% 4G in total traffic (Q1'18: 90%)

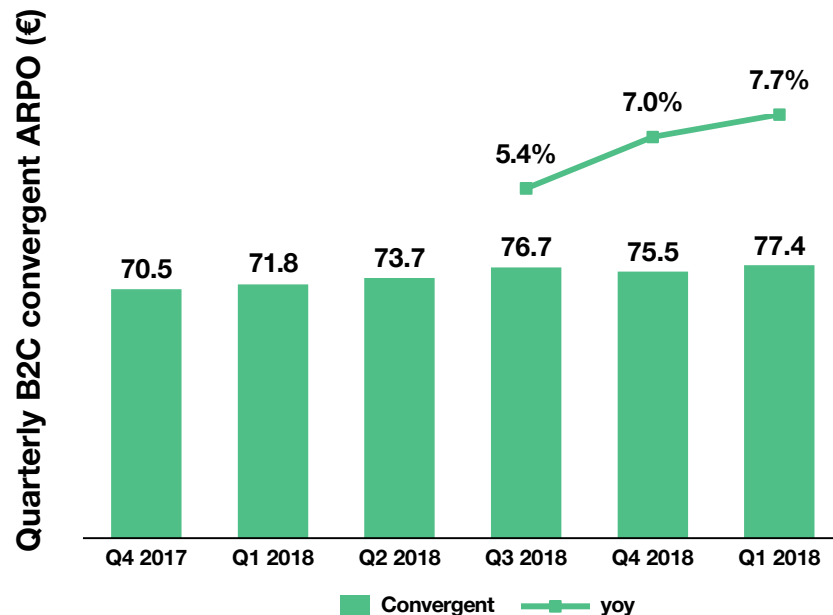
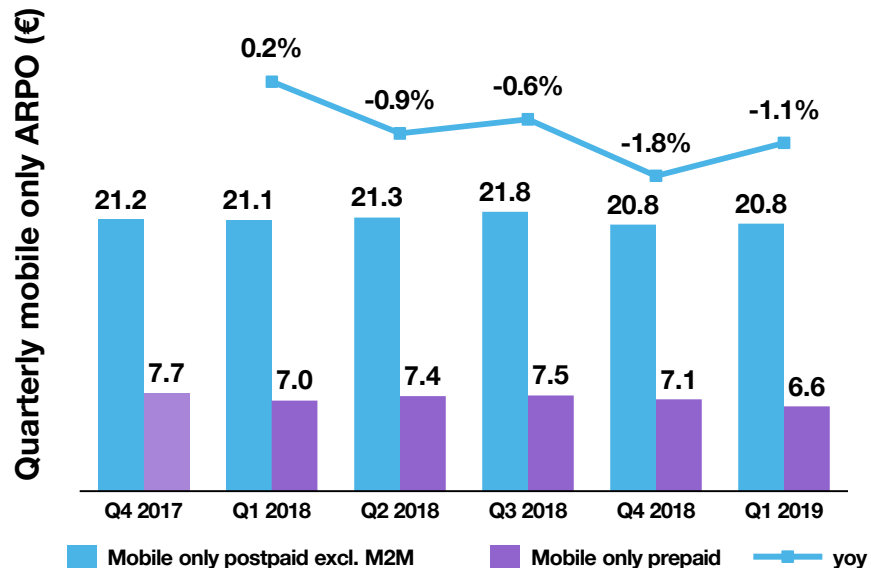
+92%

Total mobile data traffic yoy increase

3.7 GB

Average mobile data usage, +64% yoy

B2C convergent ARPO continued to grow strongly while mobile-only postpaid ARPO contracted slightly



Regulatory update



Cable Regulation

- Court rejected cable operators' request to suspend the market analysis decisions
- Implementation of new decisions ongoing
 - Single installer expected by mid-2019
 - Broadband only expected by mid-2019
 - Pre-consultation on improved reference offers for access to cable and fiber networks started
- Cost model – Wholesale pricing:
 - National consultation expected: Q2'19
 - Final decision: Q4'19



EMF norms in Brussels

- Adoption of Ordinance to increase norm has been postponed by the Brussels Government
- Without adaption of norm it will not be possible to deploy 5G in Brussels



Spectrum and 5G auction

- The Royal Decrees regarding the allocation of the 700, 1400 and 3400-3800 MHz band and the renewal/reallocation conditions of the 900, 1800 and 2100 MHz bands were not finalised.
- The discussion on 5G spectrum licenses and the renewal of the 900-1800 and 2100 MHz licenses is postponed until after the parliamentary election.



HQA Wholesale Market Review

- Launching of the revision on March 29
- The consultation ends on May 29



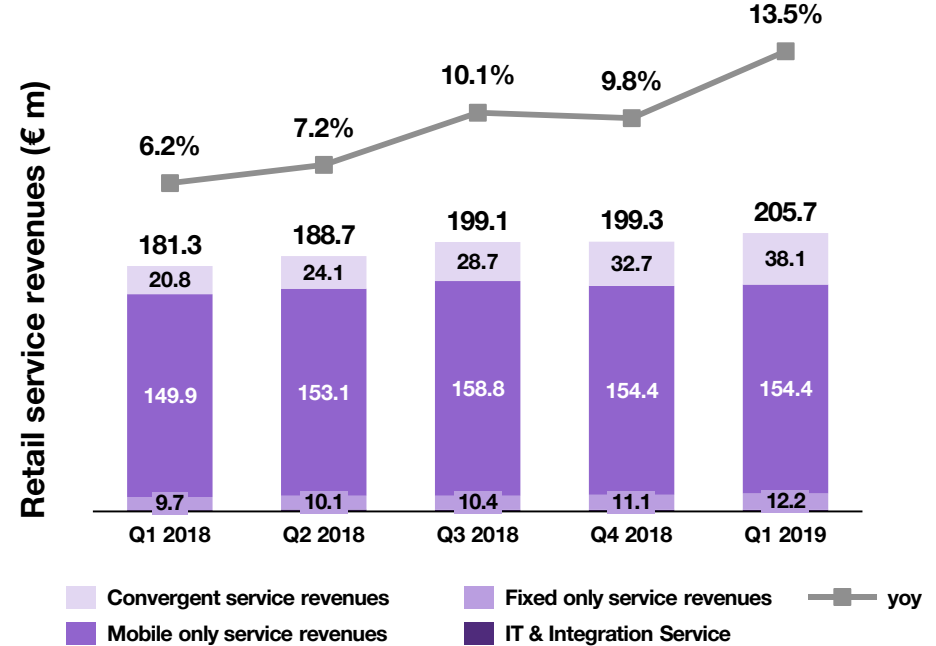
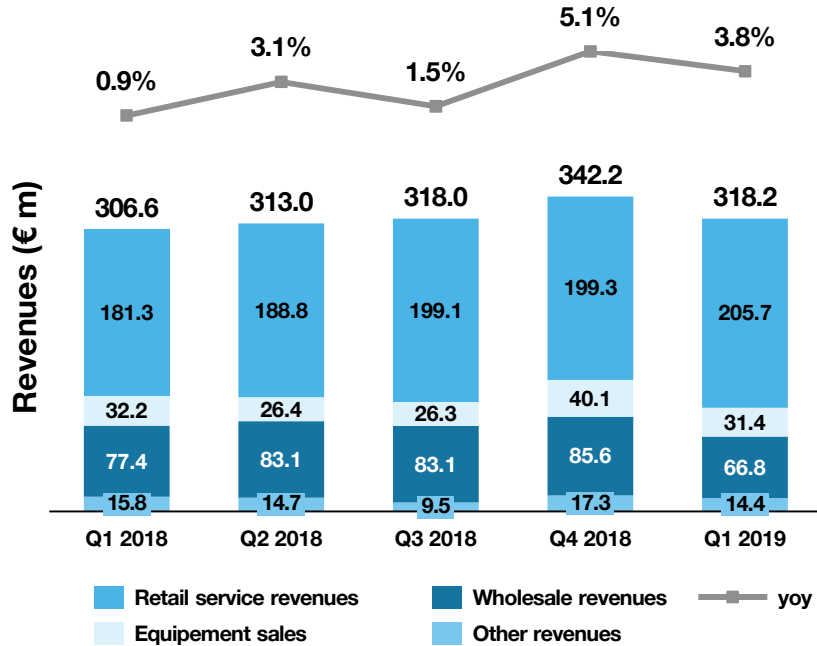
Fix termination rates (FTR)

- New maximum FTRs as of January 1: €0.00116/minute
- Decision appealed by 3StarsNet
 - Outcome of appeal expected by mid-2019

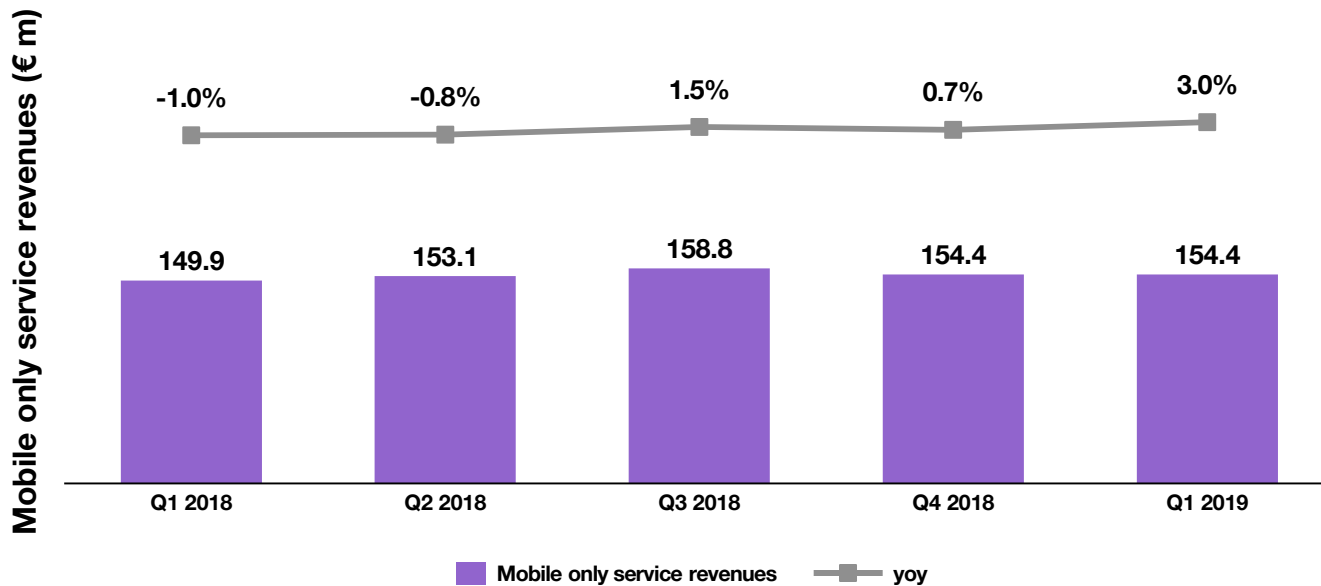
Section three

Financial Results

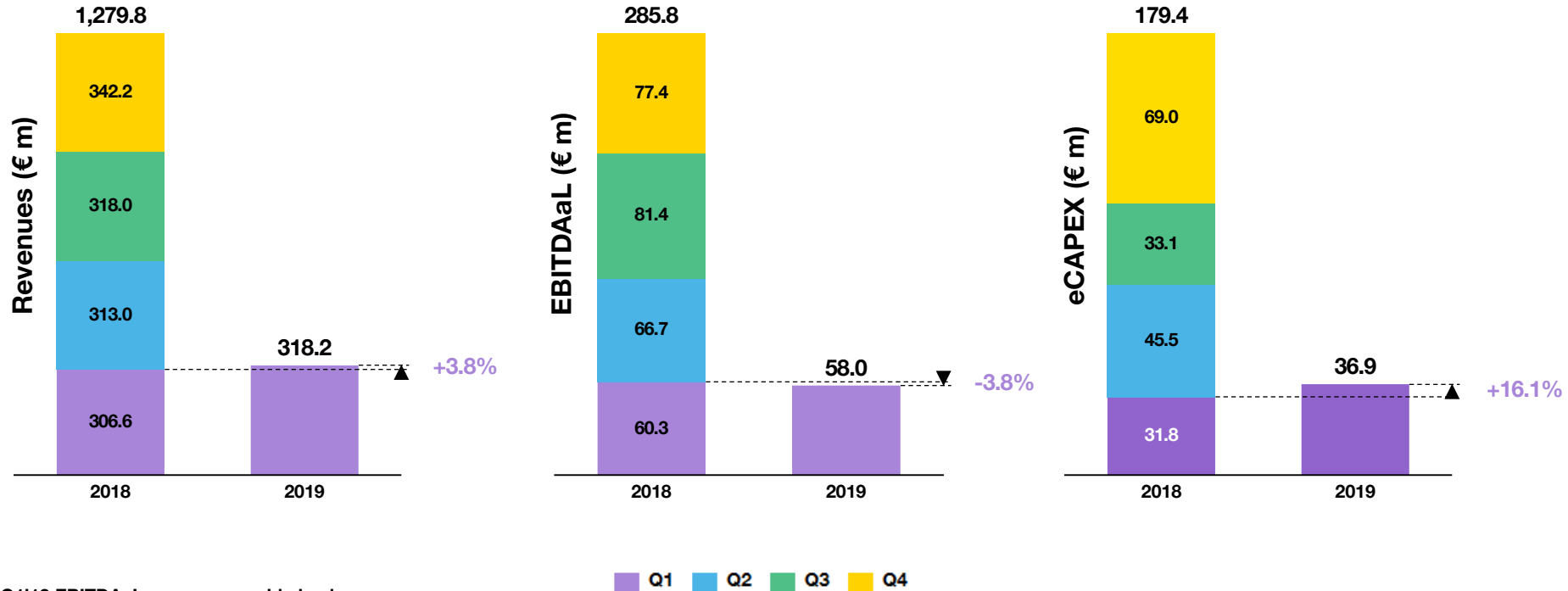
Group Retail Service Revenues: convergent service and mobile only revenues were the main growth drivers, mitigating the MVNO loss



Mobile only service revenues: continued growth for 3 consecutive quarters



Orange Belgium Group: Q1 2019 key financial results



* Q1'18 EBITDAaL on a comparable basis

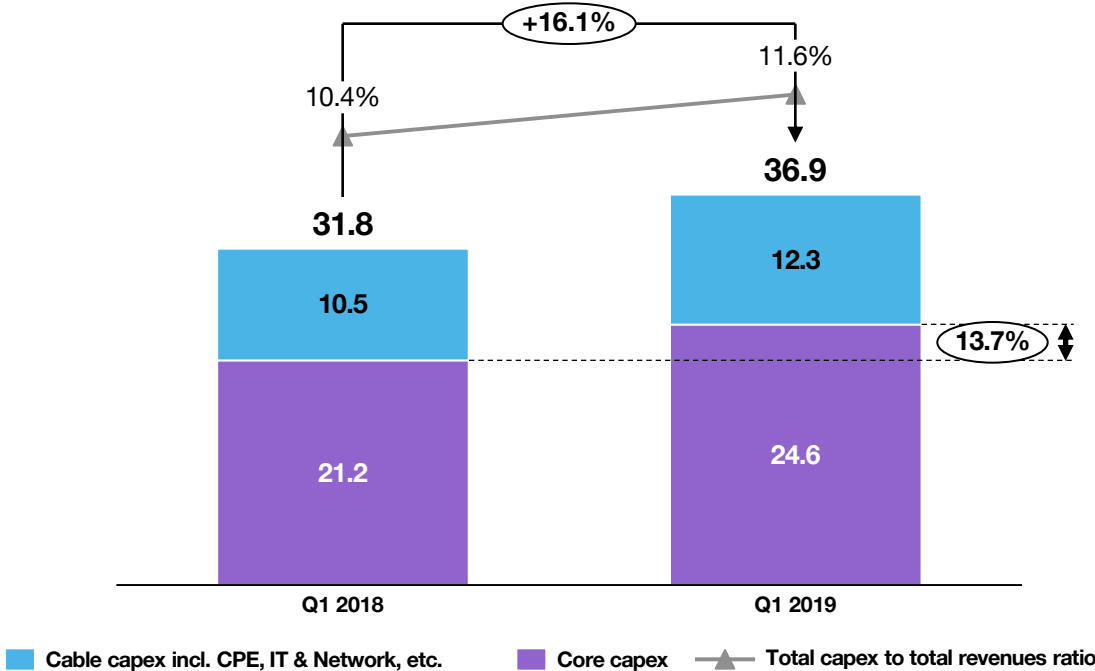
EBITDAaL impacted by lower MVNO revenues. Neutralizing this effect, EBITDAaL would have improved by 14%

EBITDAaL evolution (€ m)



* Adjusted EBITDA

Total capex growth mainly driven by an increasing convergence customer base



Section four

2019 guidance

2019 guidance

	2019 Guidance	1Q'19
Revenues growth	Slight growth vs. 2018	+3.8%
EBITDAaL	€285-305 m	€58.0m
eCapex	Stable vs. 2018	+16.1%

Outlook

- Further uptake of the postpaid and convergent LOVE customer base
- Focus on operational efficiency
- MVNO revenues are expected to decline by €20m in 2019
- International call impact: €8m on adjusted EBITDA compared to 2018
- Brand fee: -€10m, starting in May 2019
- Cable: EBITDA breakeven by the end of 2019
- IFRS 16: very low effect on EBITDA after lease (EBITDAaL)

Section four

Q&A



Orange Belgium

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