



Orange Belgium

Q3 2018

Financial Results

October 24, 2018

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.

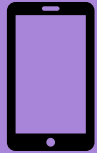
Section one

Q3 2018

Highlights

Q3 2018 Orange Belgium key achievements

Total mobile only contract excl. M2M
+5.3% yoy



Belgium

Convergent mobile customer base
~10% of total mobile contract customer base



Belgium

Net additions (qoq)

Mobile only contract excl. M2M **53k**

Love customers **19k**

Mobile only prepaid **2k**

Belgium

Average mobile data usage
+73% yoy



Belgium

Revenues
+1.5% yoy

Retail Revenues
+10.1% yoy



Group

Adjusted EBITDA
+2.2% yoy

EBITDA margin
+19 bps yoy

Group

Organic cash flow
+21.3% yoy



Group

CAPEX
€33.1m



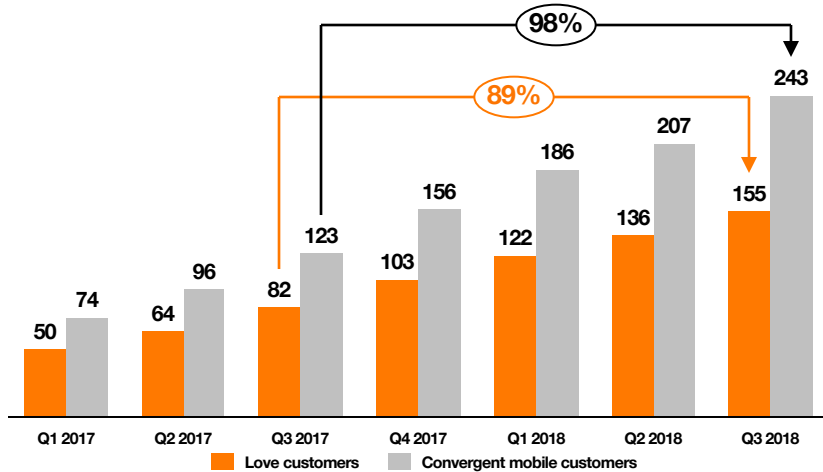
Group

Section two

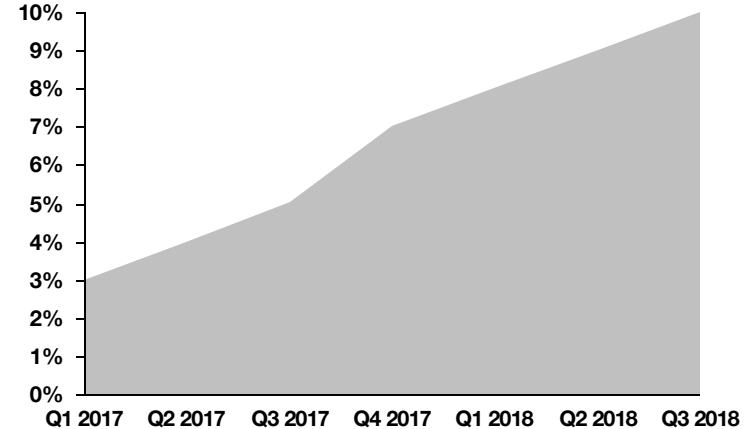
Operational Results

Convergence : Love maintains growth trajectory driven by bold and simple mobile plans


Belgium's Love and convergent customers ('000)



Convergent mobile customers as % of mobile customer base




1.6 SIM cards per convergent customer



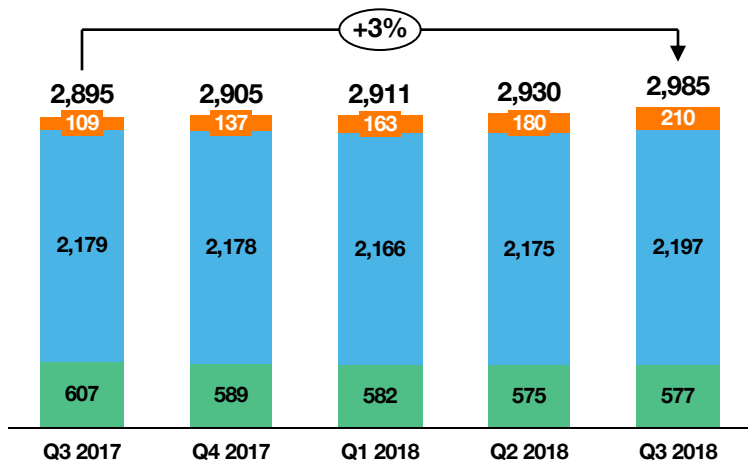
€76.7 B2C convergent ARPO
+5.5% yoy

~10% Of total mobile base is convergent

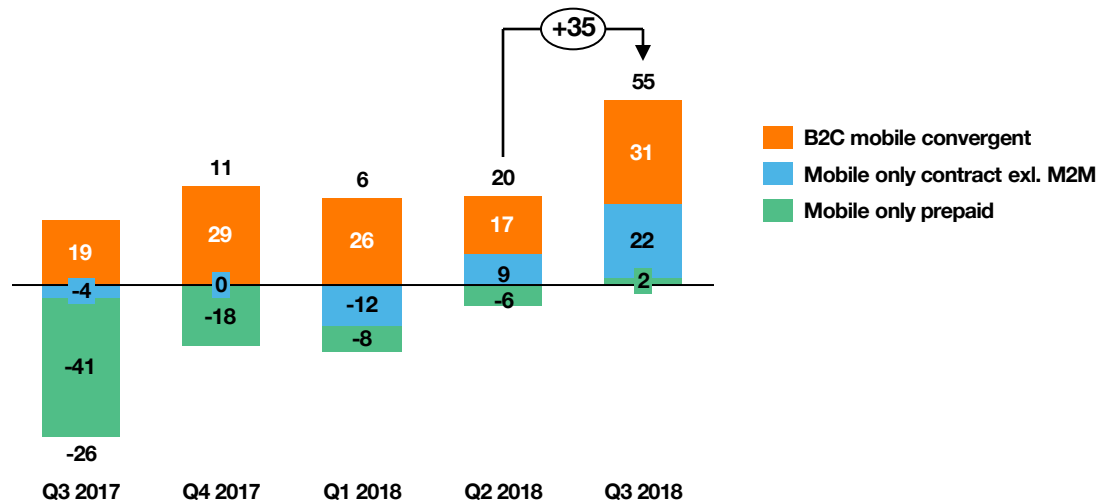


Mobile: Unlimited voice and data plans were the catalyst of our commercial success in Belgium

Quarterly customer base evolution ('000)



Quarterly net adds ('000)



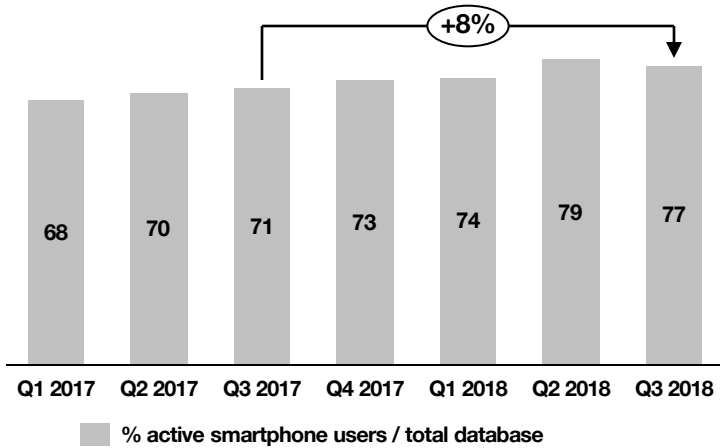
€21.8 Contract mobile only ARPO
-0.6% yoy

53k 4-year high full mobile contract net adds (excl. M2M)

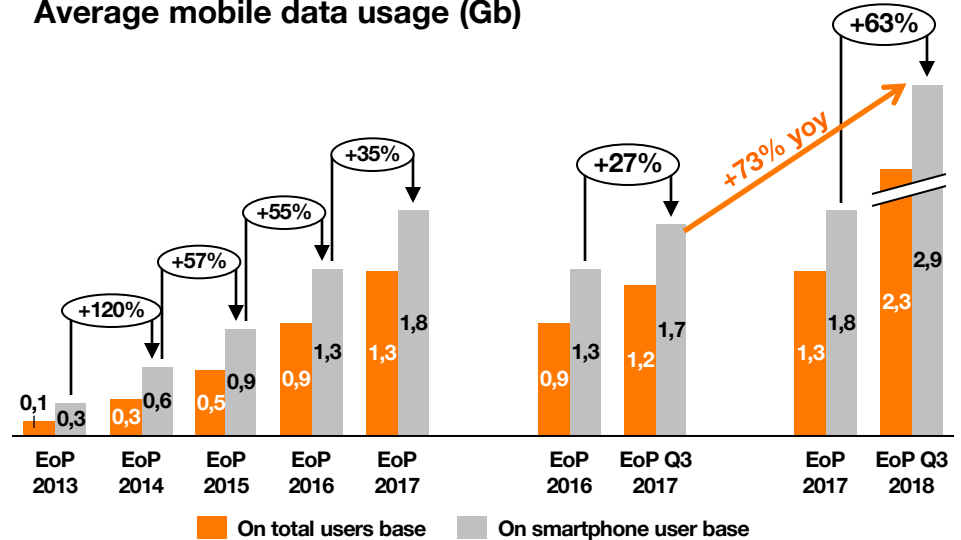
2k Prepaid net adds, best performance since Q3 2014

Mobile: Unlimited plans also a catalyst for boosted data usage growth in Belgium

Active smartphone penetration (%)



Average mobile data usage (Gb)

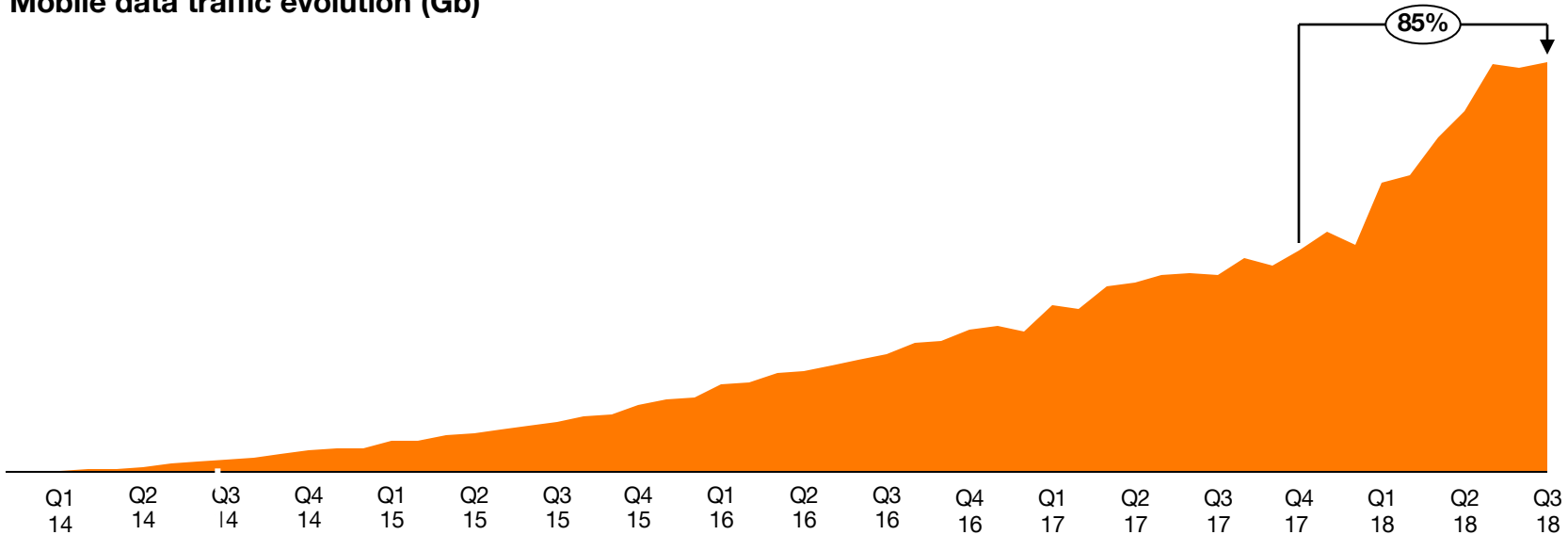


+63% Average data consumption per user
Sep '18 ytd

77% Orange customers are active smartphone users

Mobile: unlimited offers, a catalyst for boosted data usage growth in Belgium

Mobile data traffic evolution (Gb)



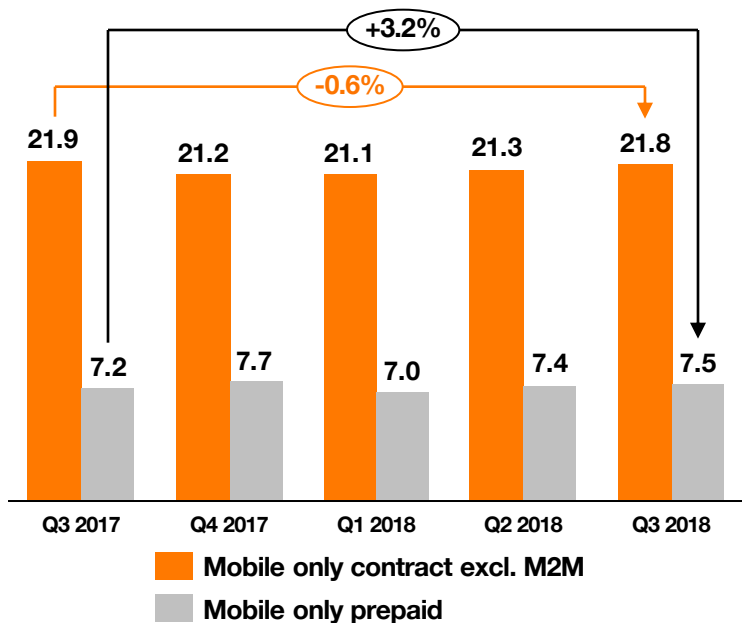
+85% Total mobile data traffic
Sep '18 ytd

2.3m Mobile data active users

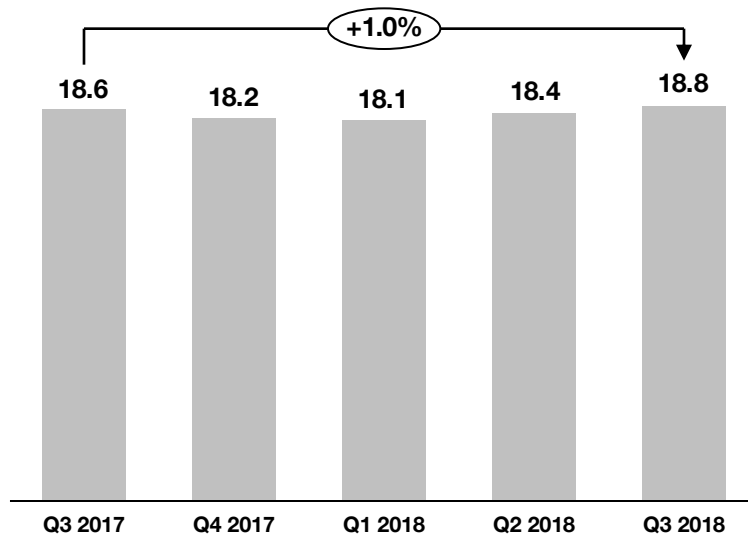
64% 4G users/
Total base

Mobile - Contract mobile ARPO stabilized, tangible proof of value creation of our mobile offers in Belgium

Quarterly mobile ARPO (€)



Quarterly blended mobile ARPO (€)

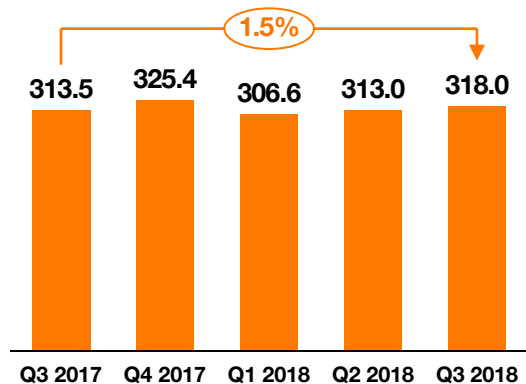


Section two

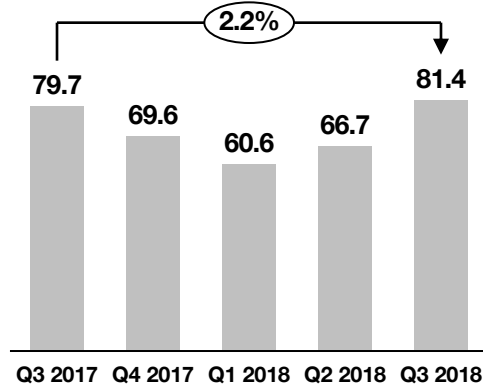
Financial Results

Orange Belgium Group: Q3 2018 key financial results

Revenues (€ m)

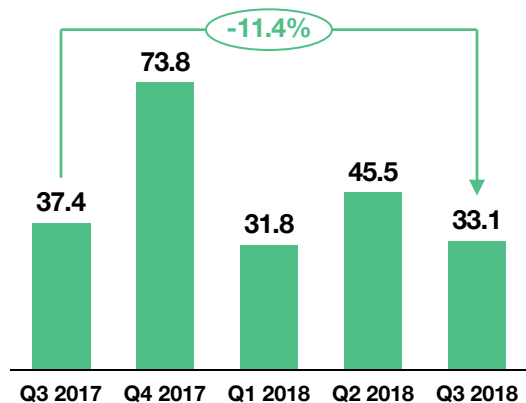


Adjusted EBITDA (€ m)

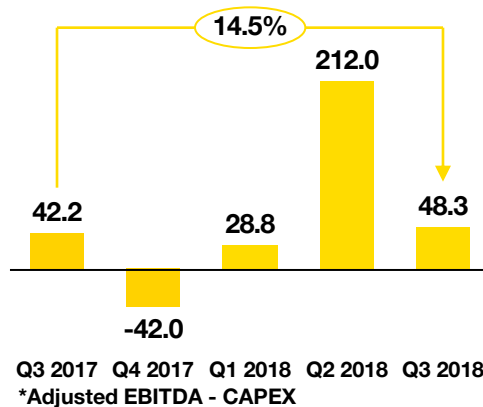


Adjusted EBITDA margin 25.6%, +19 bp yoy

CAPEX (€ m)

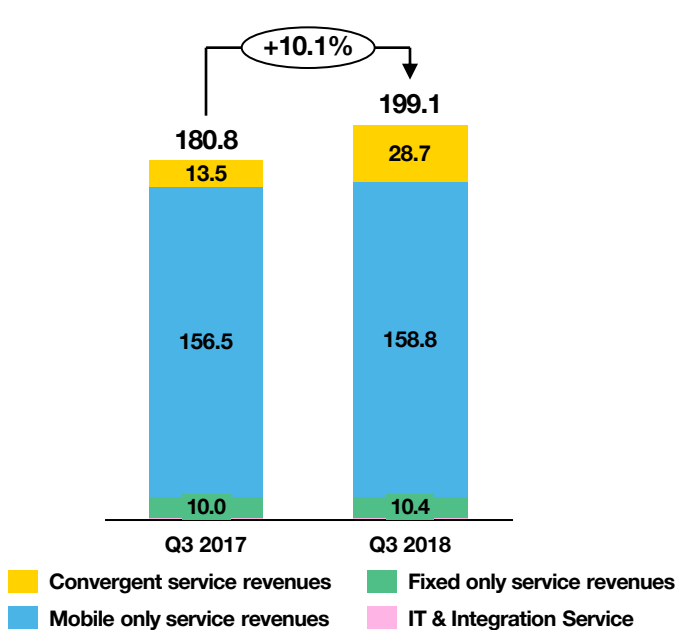


Operating cash flow* (€ m)

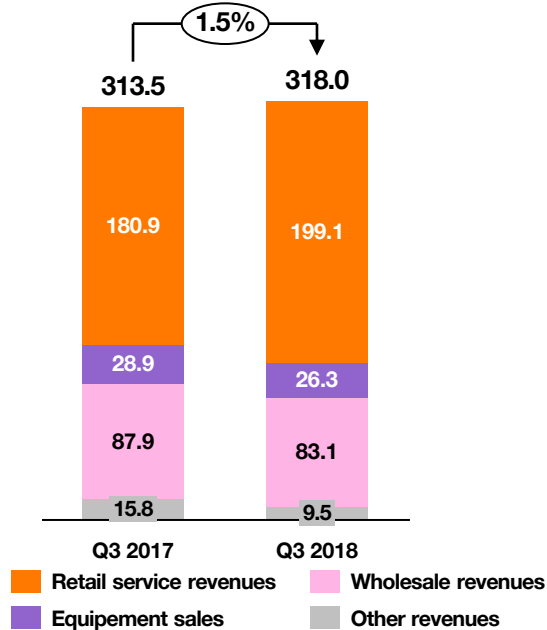


Group Retail Service Revenues: convergent service in particular - was the main growth driver

Retail service revenues (€ m)

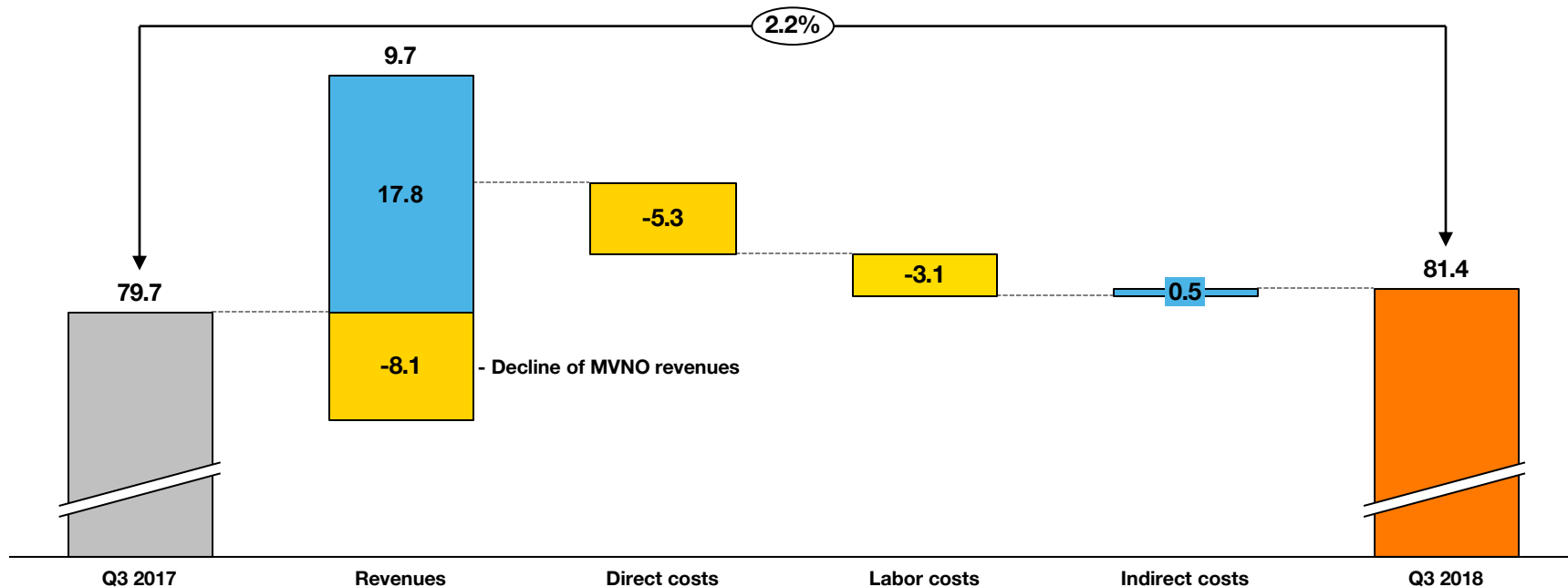


Revenues (€ m)

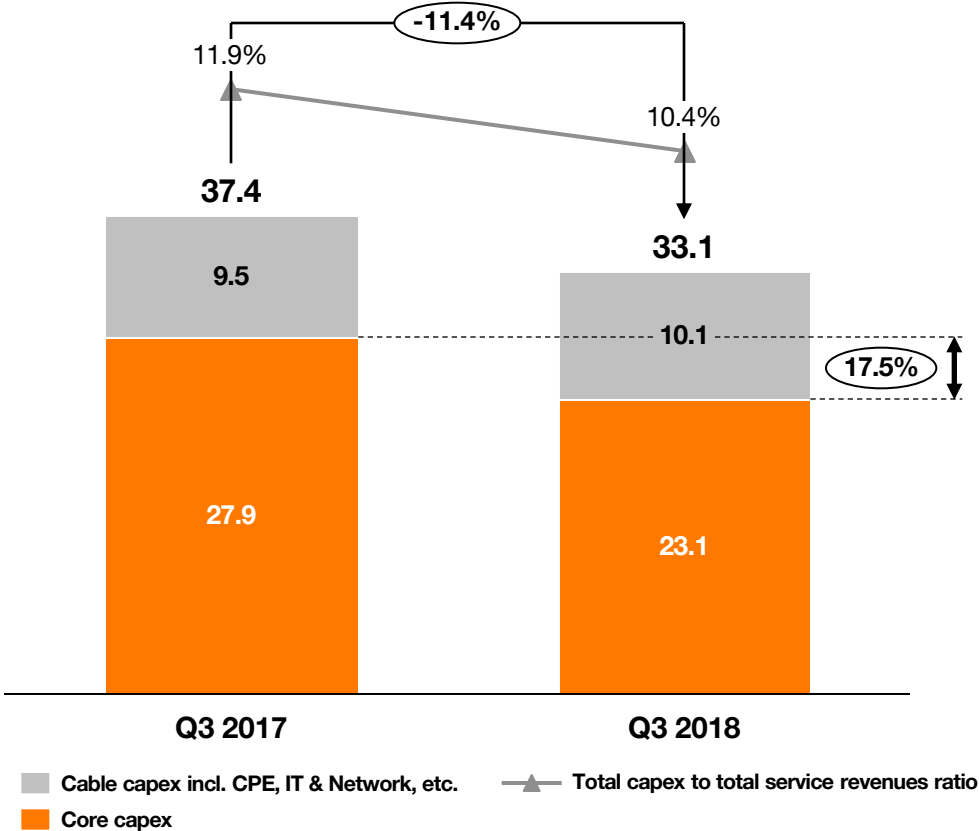


Adjusted EBITDA was resilient: fast-growing convergence revenues and efficiency program compensated for lower MVNO revenues

Adjusted EBITDA evolution (€ m)



CAPEX



Section three

2018 guidance

2018 financial guidance reiterated

	2018 Guidance	Q1 2018	Q2 2018	H1 2018	Q3 2018	9M 2018
Revenue growth	Slight growth	+0.9%	+3.1%	+2.0%	+1.5%	+1.8%
Adjusted EBITDA	€275-295 m	60.6	66.7	127.3	81.4	208.7
Core capex (excl. Cable)	Stable vs. 2017	21.2 /+2.4 % yoy	34.7 / +14.0 % yoy	56.0 / +9.3 % yoy		

Outlook

- Further uptake of the postpaid and convergent LOVE customer base
- Focus on operational efficiency
- Confirmed regulatory improvement of the current financial and operational conditions for cable wholesale access
- MVNO revenues are expected to decline by €30m in 2018
- Gross EU roaming impact: €26m on revenues and €17m on adjusted EBITDA compared to 2017
- Corporate income tax in Belgium decline: 33.99 % in 2017, 29.58 % in 2018 and 25% in 2020

Section four

Q&A



Appendix 1: Key financial figures

Orange Belgium Group's consolidated key figures (€ m)	Q3 2018	Q2 2018	Q1 2018	Q4 2017	Q3 2017
Revenues	318.0	313.5	306.6	325.4	313.5
Retail service revenues	199.1	188.8	181.3	181.4	180.9
Adjusted EBITDA	81.4	66.7	60.6	69.6	79.7
<i>% of Revenues</i>	<i>25.6%</i>	<i>19.8%</i>	<i>19.8%</i>	<i>21.4%</i>	<i>25.4%</i>
Reported EBITDA	80.5	64.4	59.2	67.6	90.9
<i>% of Revenues</i>	<i>25.3%</i>	<i>20.6%</i>	<i>19.3%</i>	<i>20.8%</i>	<i>29.0%</i>
Net profit	19.8	4.8	-0.4	-1.9	20.3
Earnings per share (€)	0.33	0.08	-0.01	-0.03	0.34
Capex	-33.1	-45.5	-31.8	-73.8	-37.4
<i>% of Revenues</i>	<i>10.4%</i>	<i>14.5%</i>	<i>10.4%</i>	<i>22.7%</i>	<i>11.9%</i>
Operational cash flow	47.4	18.9	27.4	-6.1	53.5
Organic cash flow	51.9	22.8	19.9	-15.9	42.8
Net debt	254.0	305.1	295.5	312.8	288.3

Appendix 2: Orange Belgium KPI

Key operating figures of Orange Belgium (in '000)	Q3 2018	Q3 2017	Variation
Convergent KPIs			
convergent customer base	155	82	89.4%
- B2C convergent customer base	140	75	86.8%
- B2B convergent customer base	15	7	117.2%
quarterly ARPO (€ per month)			
- B2C convergent ARPO	76.7	72.8	5.5%
Mobile KPIs			
mobile customers (excl. MVNOs)	4,040	3,790	6.6%
- contract	3,463	3,182	8.8%
- M2M	1,055	895	17.9%
- excluding M2M	2,408	2,287	5.3%
- prepaid	577	607	-5.0%
mobile customers (incl. MVNOs)	4,040	3,790	6.6%
- B2C convergent	210	109	93.8%
- mobile only and mobile B2B	3,830	3,681	4.0%
- M2M	1,055	895	17.9%
- excluding M2M	2,197	2,179	0.9%
- of which B2B convergent mobile	32	27	20.4%
- prepaid	577	607	-5.0%
MVNO customers	13	1,067	-98.8%
quarterly ARPO (€ per month)			
mobile only blended ARPO	18.8	18.6	1.0%
- mobile only contract ARPO	21.8	21.9	-0.6%
- mobile only prepaid ARPO	7.5	7.2	3.2%
Fixed KPIs			
number of lines	121	142	-15.2%
broadband customers	160	94	71.5%
- FTTx and cable customers	155	82	89.4%
- xDSL	5	12	-53.5%
- LTE for fixed and others	0	0	
internet features			
TV	155	82	89.4%

Appendix 3: Orange Luxembourg KPI

Key operational figures of Orange Luxembourg (in '000)	Q3 2018	Q3 2017	Variation
Convergent KPIs			
convergent customer base	7	2	214.2%
- B2C convergent customer base	4	0	Na
- B2B Convergent customer base	4	2	54.4%
Mobile KPIs			
mobile customers (excl. MVNOs)	192	181	5.9%
- contract	180	171	5.4%
- M2M	69	69	0.4%
- excluding M2M	111	102	8.8%
- prepaid	12	10	13.8%
mobile customers (excl. MVNOs)	192	181	5.9%
- B2C convergent	4	0	Na
- mobile only	188	181	3.8%
- M2M	69	69	0.4%
- excluding M2M	107	102	5.1%
- prepaid	12	10	13.8%
MVNO customers	2	2	4.3%
quarterly ARPO (€ per month)			
mobile only blended ARPO	27.4	27.5	-0.4%
- mobile only contract ARPO	29.6	29.4	0.6%
- mobile only prepaid ARPO	6.8	7.8	-12.9%
Fixed KPIs			
number of lines	2	1	262.3%
broadband customers	13	10	26.6%
- FTTx and cable customers	7	0	Na
- xDSL	5	8	-31.8%
- LTE for fixed and others	0	2	-100.0%
internet features			
TV	4	4	16.5%



Orange Belgium

Q3 2018

Financial Results

October 24, 2018