

A young child with light brown hair is sitting on a white sofa, smiling and holding a grey remote control. The child is wearing a red superhero mask, a red long-sleeved shirt with a blue collar, blue pants, and a red cape. The background features a white wall and a green plant.

Orange Belgium

Q4 2018

Financial Results

February 13, 2019

Disclaimer

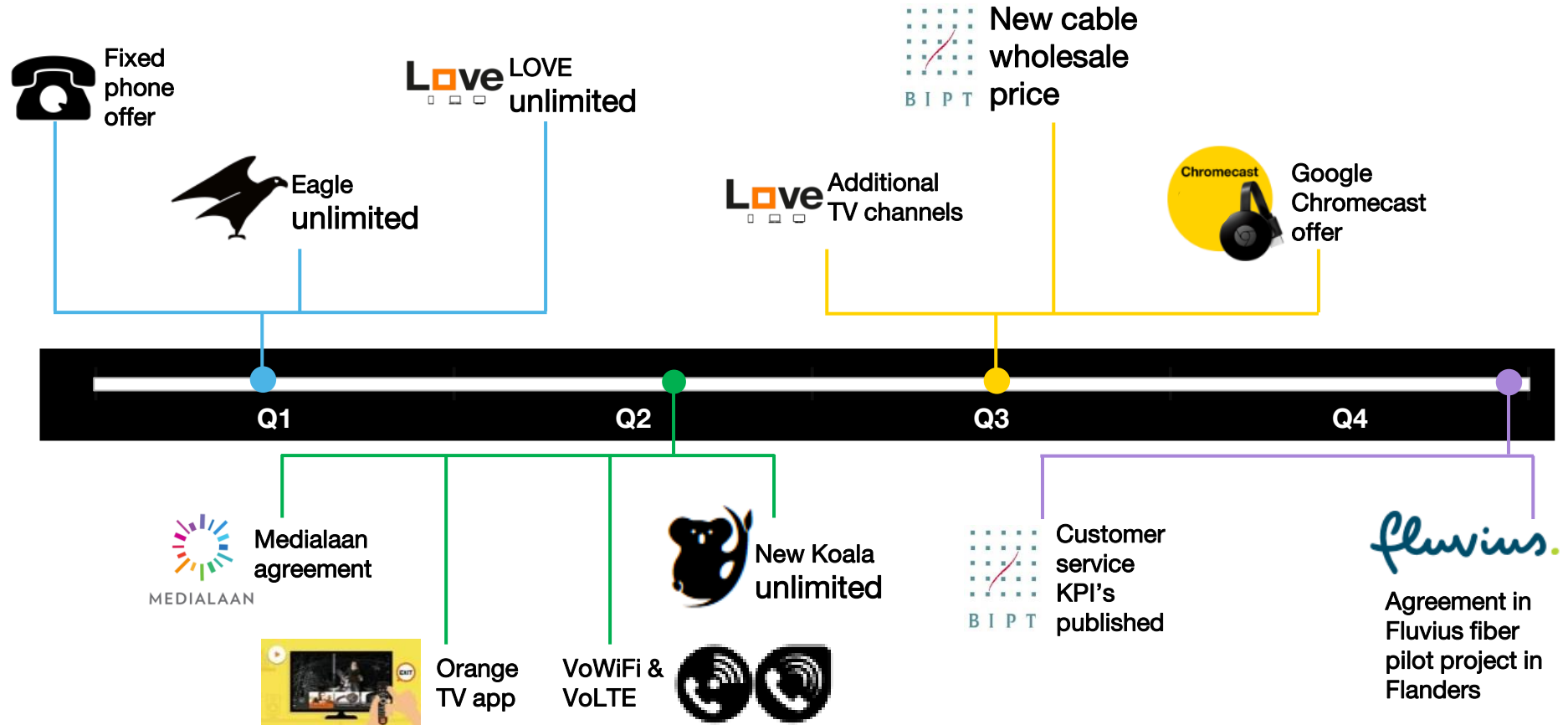
This presentation might contain forward-looking statements about Orange Belgium in particular for 2018. Although we believe these statements are based on reasonable assumptions, they are subject to numerous risks and uncertainties, including matters not yet known to us or not currently considered material 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

Q4 2018

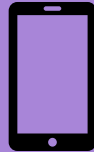
Highlights

Bold challenger positioning implemented in 2018



Q4 2018 Orange Belgium key achievements

Total mobile contract excl. M2M
+6.6% yoy



Belgium

Convergent mobile customer base
11.5% of total mobile contract customer base



Belgium

Net additions

Mobile contract excl. M2M **+61k**

Convergent customer **+25k**

Belgium

Average mobile data usage
+79% yoy



Belgium

Revenues **+5.1%** yoy
Retail Service Revenues **+9.8%** yoy



Group

Adjusted EBITDA **+11.3%** yoy

Margin expansion **+124 bps** yoy

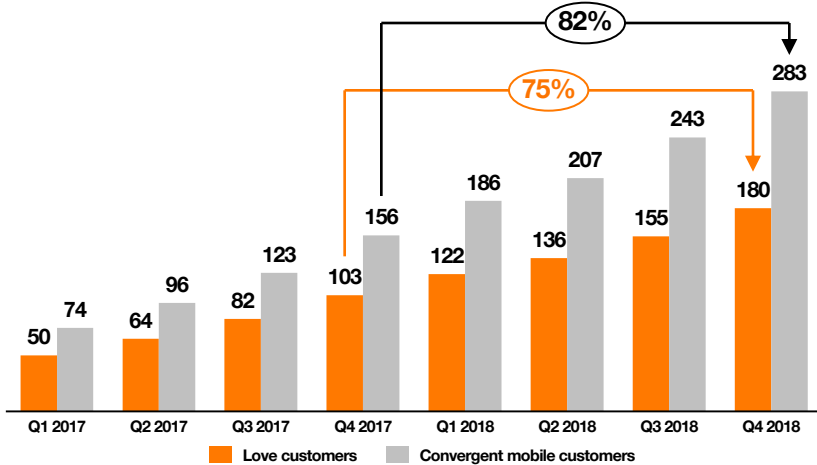
Group

Section two

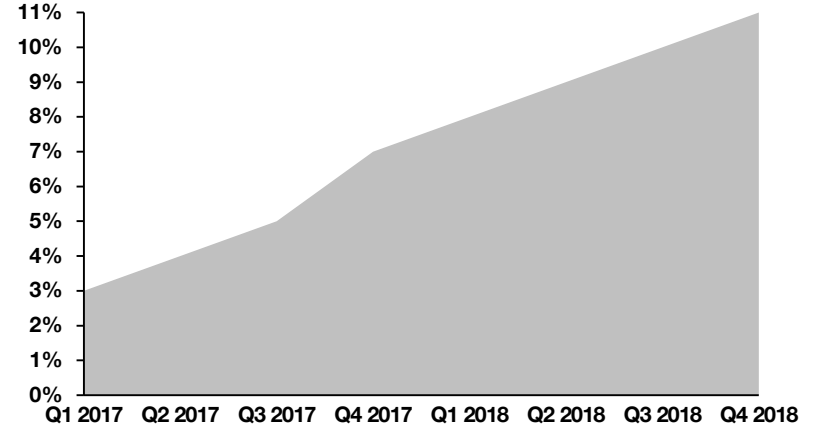
Operational Results

Convergence : Love offers increase its attractiveness


Belgium's Love customers ('000)




Convergent mobile customers as % of mobile customer base



1.6 SIM cards per convergent customer

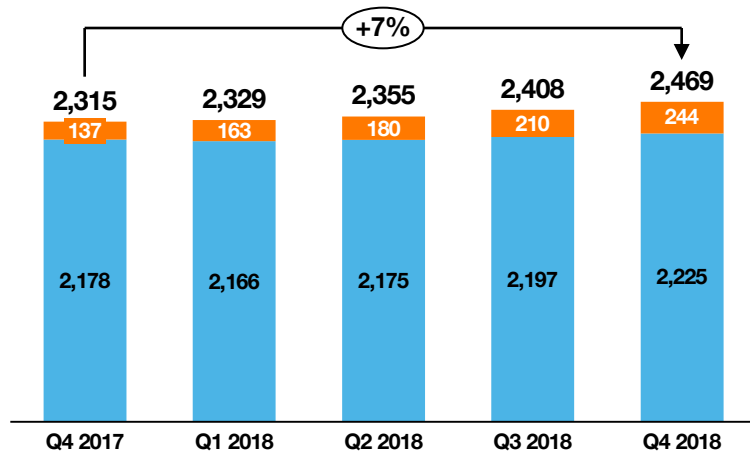


11.5% Of total mobile base is convergent

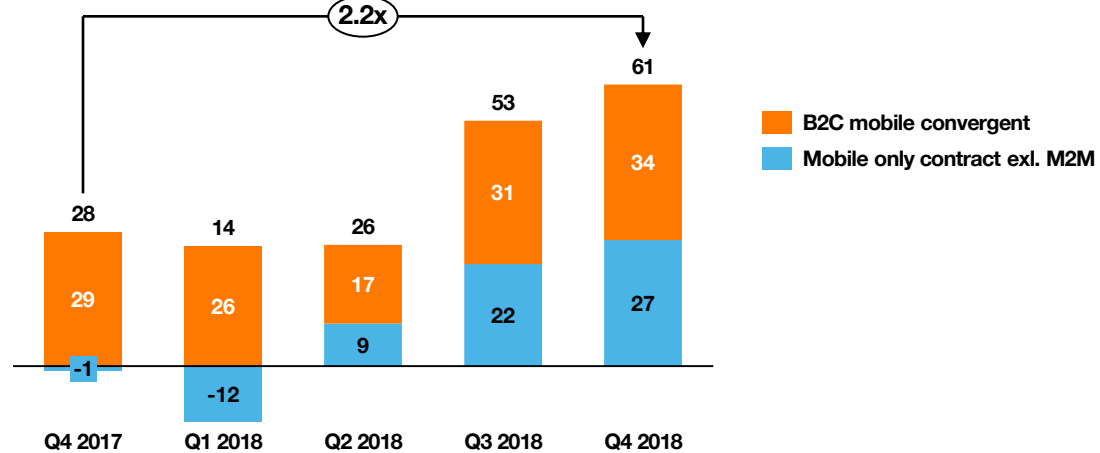


Mobile: Continued commercial success in Q4, validates Bold challenger positioning in Belgium

Quarterly customer base evolution ('000)

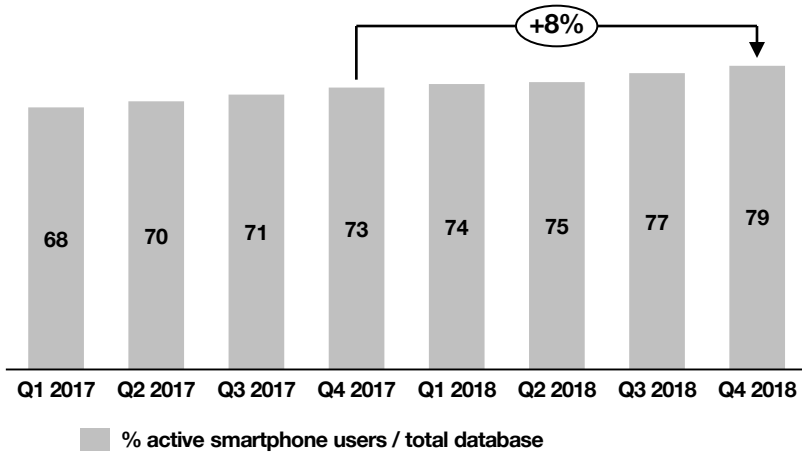


Quarterly net adds ('000)

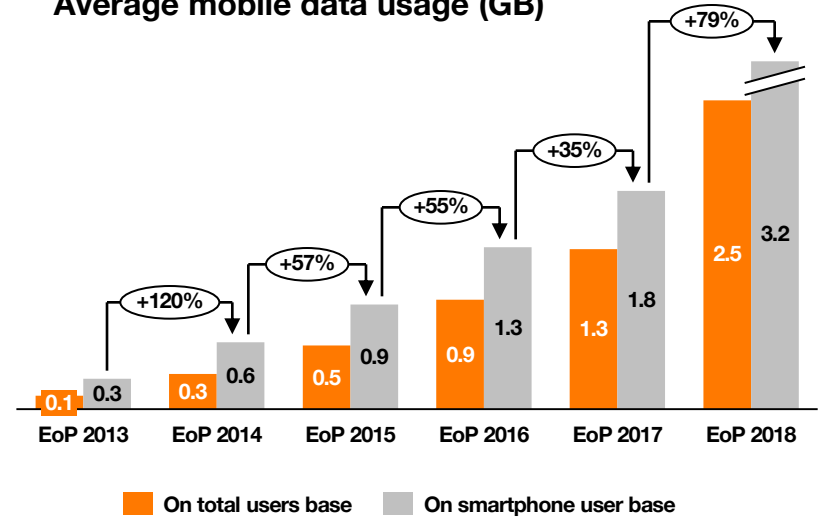


Mobile: Unlimited plans also a catalyst for data usage growth in Belgium

Active smartphone penetration (%)



Average mobile data usage (GB)

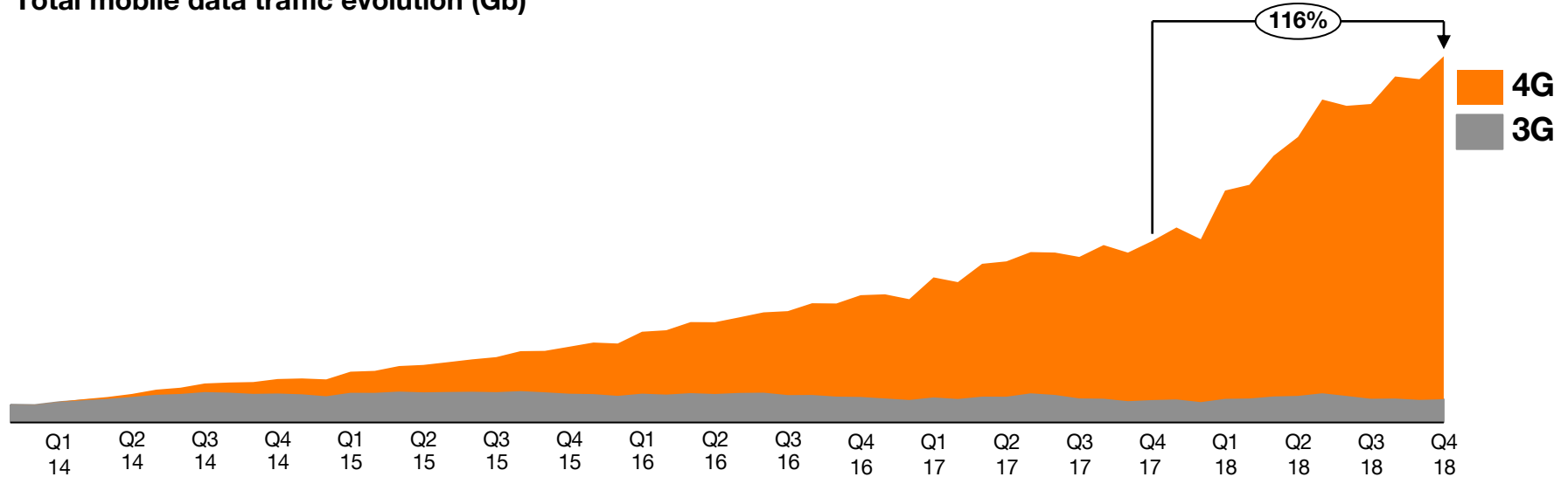


79% Orange customers are active smartphone users

+79% Average data consumption per user yoy

Mobile data traffic boosted thanks to a growing customer base and increasing average data usage

Total mobile data traffic evolution (Gb)



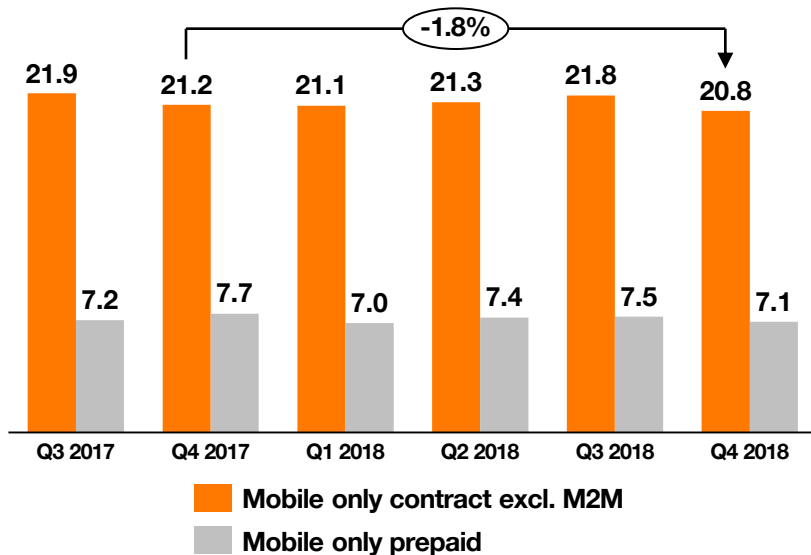
+116% Total mobile data traffic yoy

2.4m Mobile data active users

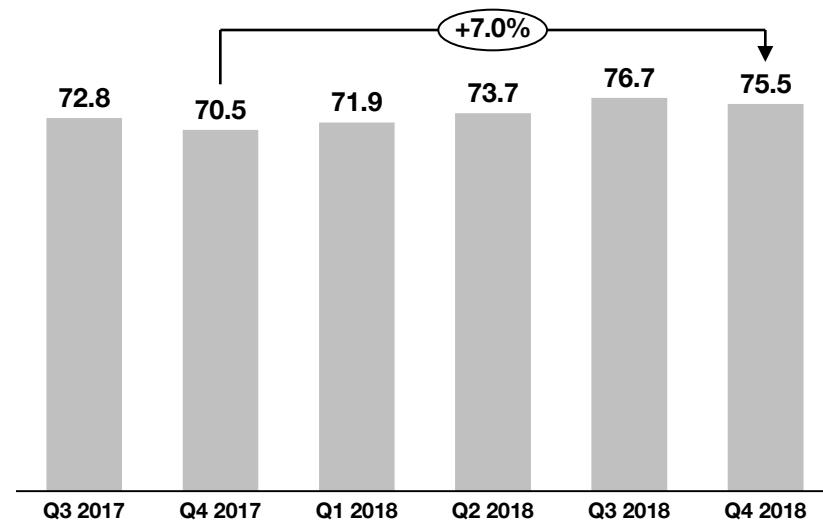
67% 4G users/ Total base

Solid growth in B2C convergent ARPO and slight contraction in mobile-only ARPO, confirms our Bold positioning

Quarterly mobile only ARPO (€)

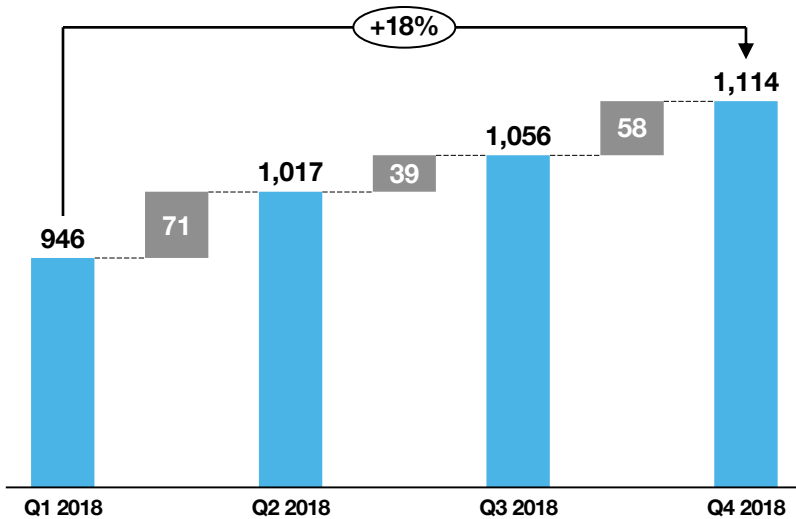


Quarterly B2C convergent ARPO (€)



M2M / IoT: improved performance with connected devices with more than 1m SIMS sold

SIM's evolution ('000)



Worldwide IoT services thanks to global network

- ~45% IoT revenues come from foreign companies
- 5/6 SIMs abroad

Market leader
• 1.1m SIM cards



>15 years of experience

- Making us customer experts



Our specific strengths



Building strong IoT partnerships

- 1st operator to launch a development kit and end-to-end commercial IoT services in Belgium

Customer Experience at the heart of our strategy



465k
VoWifi/
VoLTE
users

Leader in
indoor mobile
coverage

#1 in average
helpdesk
response time *

1.1m
Orange App
active users

#1 in least
complaints about
invoicing *


#1 in
Social
Media
Care **

#1 in repair
time *

#1 in % of problems
solved at 1st contact *

•*BIPT

•** Lithium & Engagor



Main promotional activities:
Concerts,
Cinema tickets,
Sport events

Launch of Gamification:
making the reward system more engaging

Total gifts offered:
2.3m telco bonus and gifts

Engagement:
50% of residential customers

Orange Thank You Program: improving customers' loyalty

Regulatory update



Cable Regulation

- **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:**
 - Public consultation regarding the results of a FTTH and cable network cost model is running until February 15th.
 - The regulators will subsequently consult on the decision regarding the wholesale tariffs (to be based on the results of the models).
 - Cost model results consultation expected in Q2 2019



EMF norms in Brussels

- Expected to increase the permitted emissions from 6V/m to 14.5V/m in Brussels



Spectrum

- It is unclear whether the current government will still complete the proposal to change the electronic communications law and the Royal Decrees regarding the attribution and renewal of an important number of frequencies.
 - Spectrum auction in 2019 is unlikely.
 - If current government cannot finalize the file more substantial delay will apply.



International intra-EU tariffs for voice & SMS

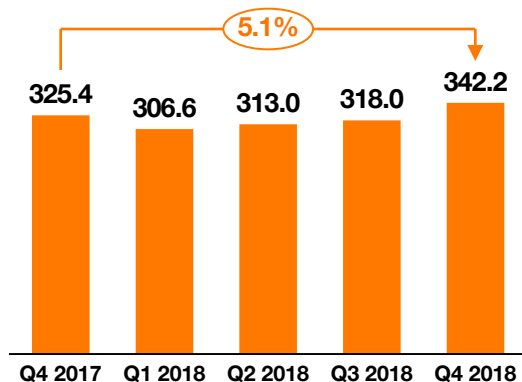
- As of May 15th, tariffs for intra-EU international voice calls and SMS for residential customers will be regulated:
- For voice calls a maximum of €0.19/minute (excl. VAT)
 - For SMS €0.06/SMS (excl. VAT) is the maximum charge

Section three

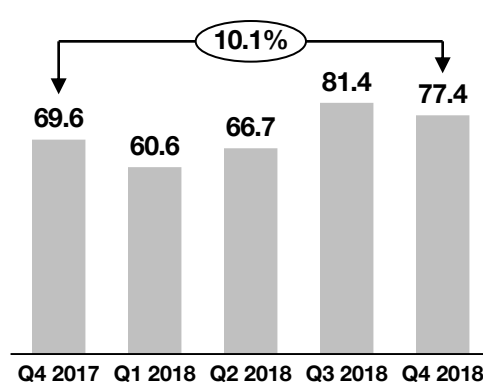
Financial Results

Orange Belgium Group: Q4 2018 key financial results

Revenues (€ m)

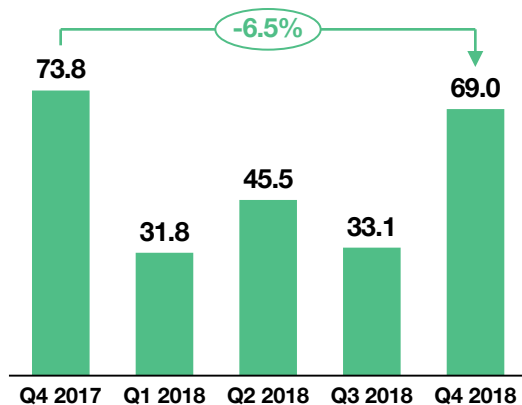


Adjusted EBITDA (€ m)

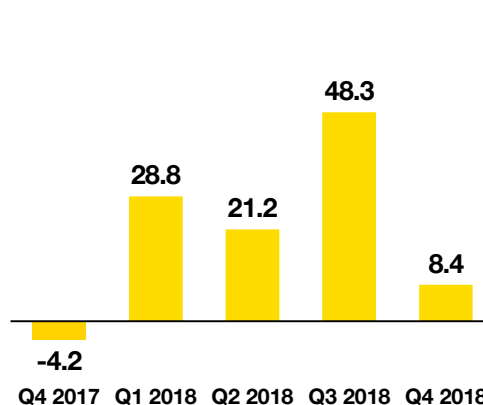


Adjusted EBITDA margin 22.6%, +124 bp yoy

CAPEX (€ m)



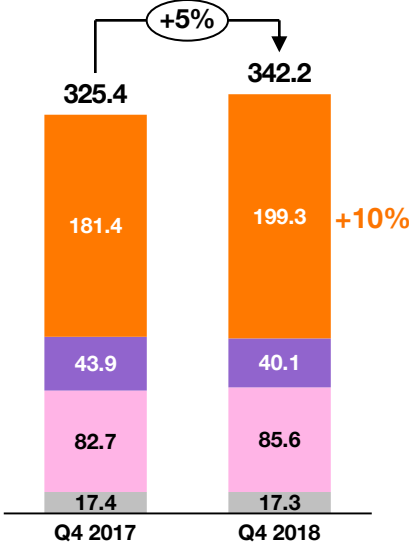
Operating cash flow* (€ m)



*Adjusted EBITDA - CAPEX

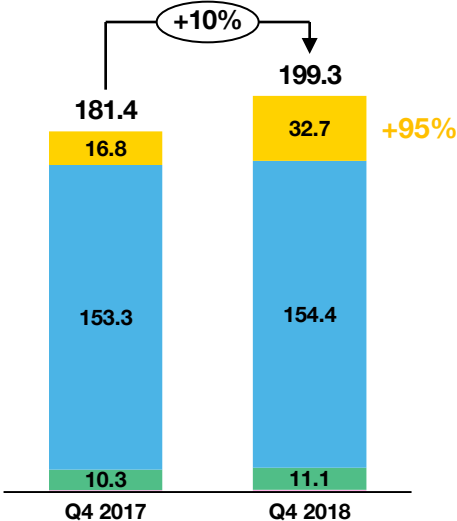
Group Retail Service Revenues: convergent service in particular - was the main growth driver

Revenues (€ m)



- Retail service revenues
- Equipment sales
- Wholesale revenues
- Other revenues

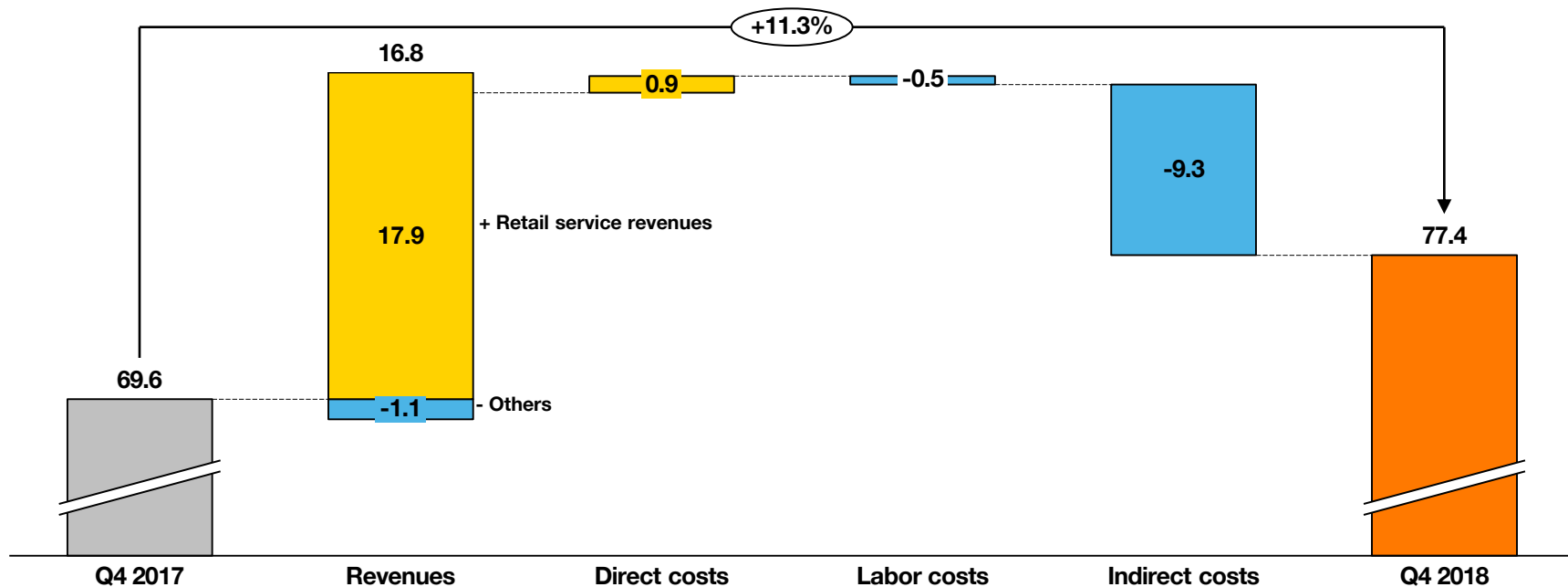
Retail service revenues (€ m)



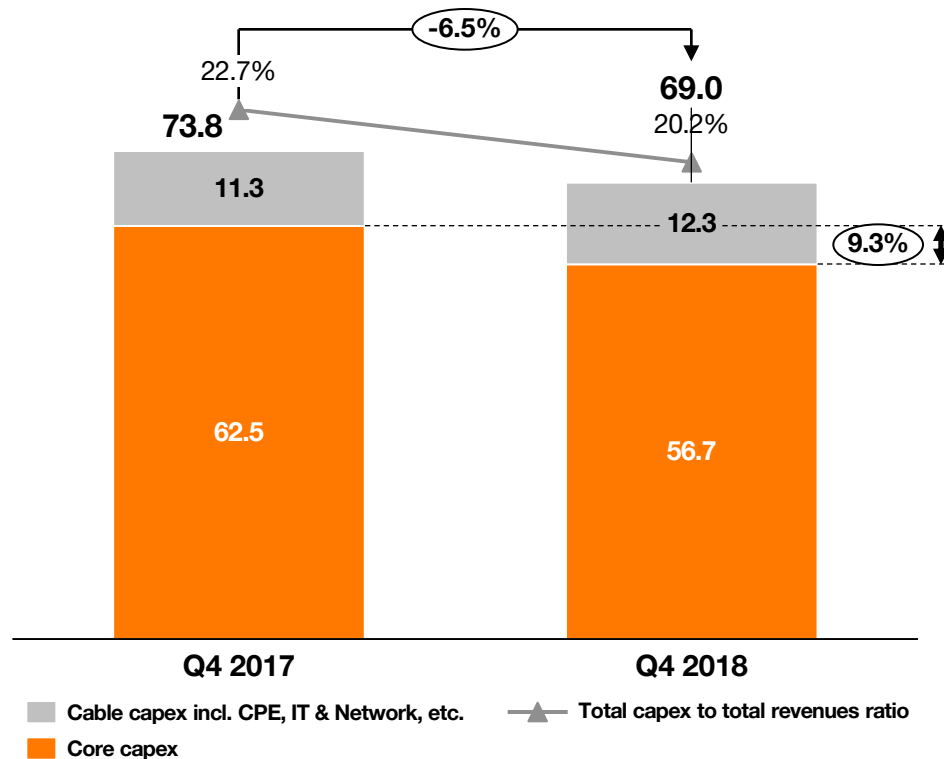
- Convergent service revenues
- Mobile only service revenues
- Fixed only service revenues
- IT & Integration Service

Group Adjusted EBITDA: 2nd consecutive improvement driven by increase in revenues and improvement in cable performance

Adjusted EBITDA evolution (€ m)



Total capex under control with a slight increase in cable capex driven by an increasing customer base



2018 guidance achieved

	What we guided	What we achieved
Revenue growth	Slight growth	2.7%
Adjusted EBITDA	€275-295 m	€286.1 m
Core capex (excl. Cable)	Stable vs. 2017	135.7 / -4.2 % yoy

Section four

2019 guidance



**No
price
increases**

**Unlimited
broadband
offer**

**Guaranteed
mobile indoor
connectivity**

“In 2019, we will continue to deliver our bold promises to our customers”

2019 guidance

2019 Guidance	
Revenues growth	Slight growth vs. 2018
Adjusted EBITDA / EBITDAaL	€285-305 m
Capex	Stable vs. 2018

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



Appendix 1: Key financial figures

Orange Belgium Group's consolidated key figures (€ m)	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Revenues	342.2	318.0	313.0	306.6	325.4
Retail service revenues	199.3	199.1	188.8	181.3	181.4
Adjusted EBITDA	77.4	81.4	66.7	60.6	69.6
<i>% of Revenues</i>	<i>22.6%</i>	<i>25.6%</i>	<i>19.8%</i>	<i>19.8%</i>	<i>21.4%</i>
Reported EBITDA	74.4	80.5	64.4	59.2	67.6
<i>% of Revenues</i>	<i>21.8%</i>	<i>25.3%</i>	<i>19.3%</i>	<i>19.3%</i>	<i>20.8%</i>
Net profit	8.2	19.8	4.8	-0.4	-1.9
Earnings per share (€)	0.14	0.33	0.08	-0.01	-0.03
Capex	-69.0	-33.1	-45.5	-31.8	-73.8
<i>% of Revenues</i>	<i>20.2%</i>	<i>10.4%</i>	<i>14.5%</i>	<i>10.4%</i>	<i>22.7%</i>
Operational cash flow	5.5	47.4	18.9	27.4	-6.1
Organic cash flow	-14.1	51.9	22.8	19.9	-15.9
Net debt	264.3	257.1	305.1	295.5	312.8

Appendix 2: Orange Belgium KPI

Orange Belgium ('000)	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Convergent KPIs					
convergent customer base	180	155	136	122	103
- B2C convergent customer base	162	140	123	110	94
- B2B Convergent customer base	18	15	13	11	9
quarterly ARPO (per month, in €)					
- B2C convergent ARPO	75.5	76.7	73.7	71.9	70.5
Mobile KPIs					
mobile customers (excl. MVNOs)	4,149	4,040	3,947	3,857	3,855
- contract	3,582	3,463	3,372	3,275	3,265
- M2M	1,114	1,055	1,017	946	950
- excluding M2M	2,469	2,408	2,355	2,329	2,315
- prepaid	567	577	575	582	589
mobile customers (excl. MVNOs)	4,149	4,040	3,947	3,857	3,855
- B2C convergent	244	210	180	163	137
- mobile only	3,906	3,830	3,767	3,694	3,717
- M2M	1,114	1,055	1,017	946	950
- excluding M2M	2,225	2,197	2,175	2,166	2,178
- of which B2B convergent mobile customers	40	32	27	24	19
- prepaid	567	577	575	582	589
MVNO customers	12	13	25	208	522
quarterly ARPO (€ per month)					
mobile only blended ARPO	18.0	18.8	18.4	18.1	18.2
- mobile only contract ARPO	20.8	21.8	21.3	21.1	21.2
- mobile only prepaid ARPO	7.1	7.5	7.4	7.0	7.7
Fixed KPIs					
number of lines	122	121	121	125	134
broadband customers	186	161	141	127	109
- FTTx and cable customers	180	155	136	122	103
- xDSL	6	5	5	5	6
- LTE for fixed and others	0	0	0	0	0
internet features					
TV	180	155	136	122	103

Appendix 3: Orange Luxembourg KPI

Orange Luxembourg ('000)	Q4 2018	Q3 2018	Q2 2018	Q1 2018	Q4 2017
Convergent KPIs					
convergent customer base	8	7	7	6	5
- B2C convergent customer base	4	4	4	4	4
- B2B Convergent customer base	4	4	3	3	2
Mobile KPIs					
mobile customers (excl. MVNOs)	193	192	193	194	183
- contract	180	180	181	183	173
- M2M	71	69	71	73	65
- excluding M2M	110	111	111	110	108
- prepaid	12	12	11	11	11
mobile customers (excl. MVNOs)	193	192	193	194	183
- B2C convergent	4	4	4	4	4
- mobile only	188	188	189	190	180
- M2M	71	69	71	73	65
- excluding M2M	105	107	107	106	104
- prepaid	12	12	11	11	11
MVNO customers	2	2	2	2	2
quarterly ARPO (€ per month)					
mobile only blended ARPO	28.1	27.4	27.6	26.2	27
- mobile only contract ARPO	30.7	29.6	29.9	28.2	29.1
- mobile only prepaid ARPO	6.5	6.8	6.3	6.2	6.7
Fixed KPIs					
number of lines	2	2	2	2	2
broadband customers	13	13	12	12	12
- FTTx and cable customers	8	7	7	6	5
- xDSL	5	5	6	6	6
- LTE for fixed and others	0	0	0	0	0
internet features					
TV	4	4	4	4	4

A young child with light brown hair is sitting on a white sofa, smiling and holding a grey remote control. The child is wearing a red superhero mask, a red long-sleeved shirt with a blue collar, and a blue cape with red trim. The child is also wearing red socks and blue jeans. The background features a white wall and a green plant.

Orange Belgium

Q4 2018

Financial Results

February 13, 2019