



# Acquisition of



Creation of a  
convergent operator

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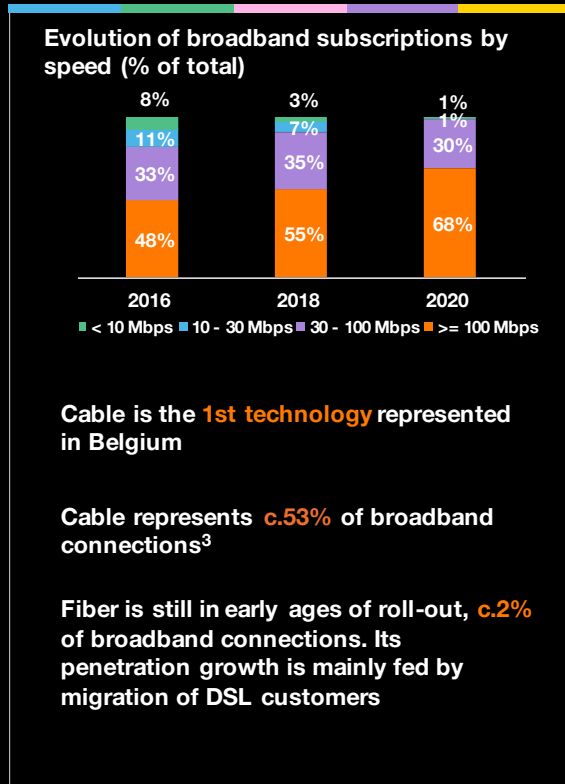
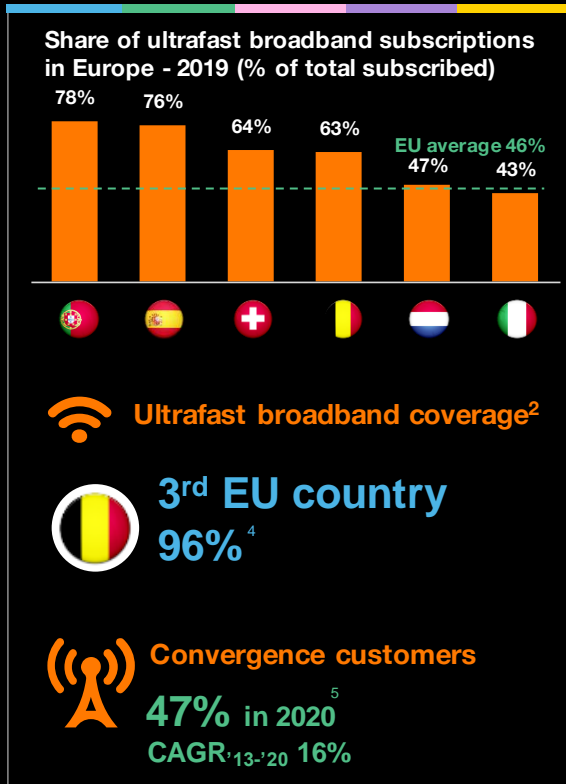
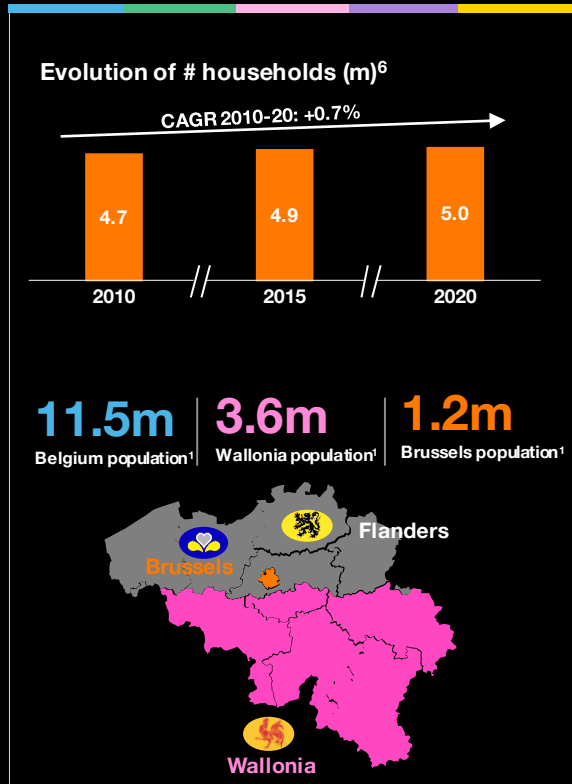
December 24, 2021

## Disclaimer

This presentation might contain forward-looking statements about Orange Belgium in particular for 2021. 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 as well as the Covid-19 situations 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.



# Attractive macroeconomics in Belgium to support the development of the fixed network



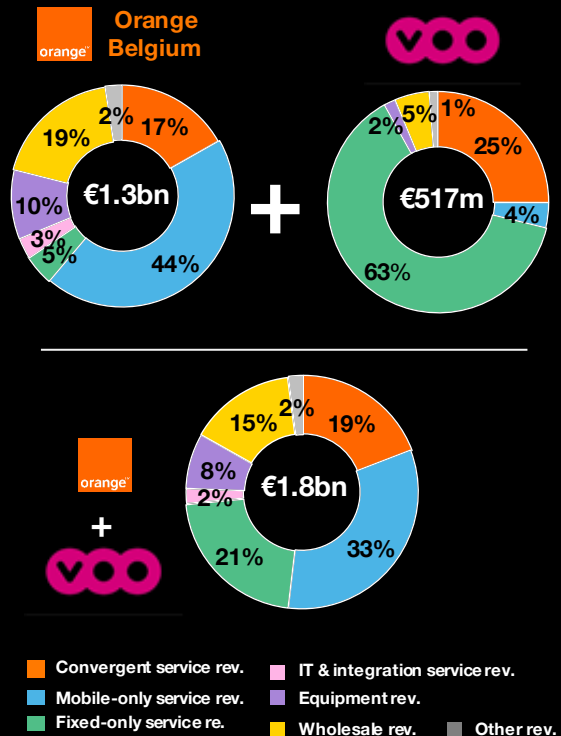
Sources: Federal Public Service Economy, Analysis Mason.

Notes: (1) As of Jan '20; (2) Ultrafast broadband refers to internet access with speeds higher than 100Mbps. As a percentage of households; (3) 2020e figures; (4) National level coverage; (5) Mobile Convergent - Share of Fixed Broadband (%); (6) Number of people per household has remained constant at 2.3 throughout the period.

# Creation of a leading convergent player accelerating OBE's convergent strategy & competitiveness at a national level

Balanced and attractive combined business mix...

2020 revenue split by segment



... backed by high-quality and well-invested mobile and fixed networks



## National state-of-the-art mobile network

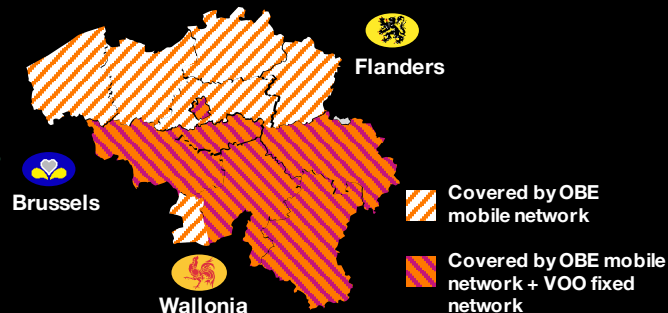
- 99.9% population coverage with 4G network
- 169 MHz spectrum held<sup>(1)</sup>
- RAN-sharing agreement with Proximus being deployed



## High-speed cable network in Wallonia & Brussels

- 1.8m homes passed with HFC (download speeds up to 1GB)
- 99% coverage in Wallonia & 34% coverage in Brussels
- Ongoing DOCSIS 3.1 upgrade to further reinforce speed leadership

80%<sup>2</sup>  
Cable households coverage in Wallonia and Brussels



Notes: (1) As reported in Orange Group AR 2020; (2) 35% cable national households coverage.

# VOO is a leading cable operator in Wallonia and Brussels<sup>1</sup>

- Created in 2006, VOO is the 2<sup>nd</sup> largest telecom operator in its coverage area (Wallonia and 30% of Brussels)
- VOO offers broadband, payTV and fixed telephony services (0P-4P) under 3 brands: VOO (core FBB offer), BeTV (Pay-TV) and Zuny (digital-driven internet and mobile only offers) and mobile services as a full MVNO on Telenet and Proximus networks
- 720k customers in B2C and B2B/Soho in 2020
- c.90% of revenues are generated in the B2C segment with growing B2B/SoHo segment
- 2020A market shares in coverage area: Fixed broadband 30-40%<sup>1</sup>, Pay-TV 40-50%<sup>1</sup> and Mobile 10%-20%<sup>1</sup>

Mobile customer base  
FY'20

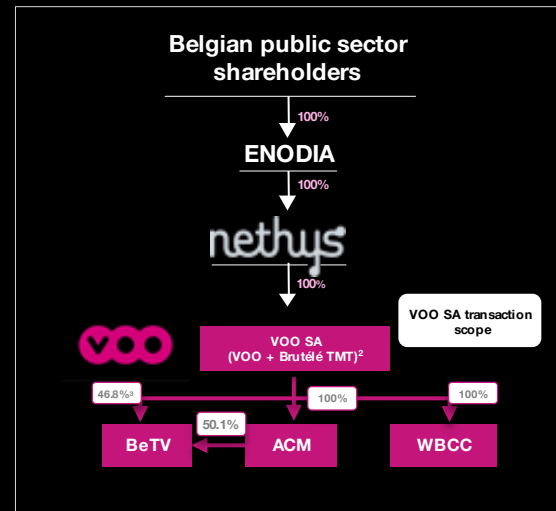
15% yoy

303k

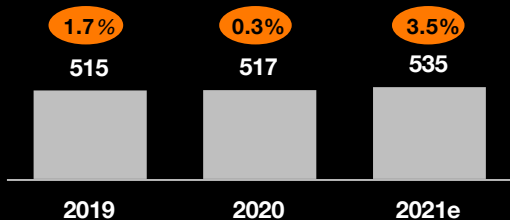
Broadband customer  
base FY'20

48% convergent customers<sup>4</sup>

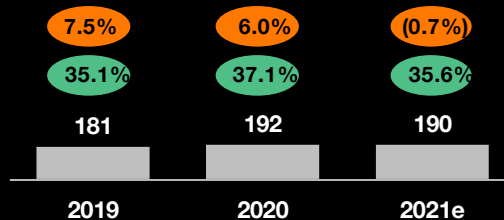
513k



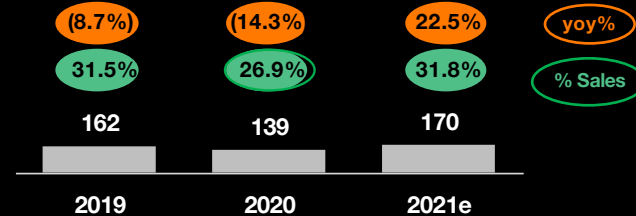
VOO's Revenue | €m



VOO's EBITDAaL<sup>5</sup> | €m



VOO's CAPEX<sup>5</sup> | €m



Notes: (1) Total subscribers; (2) Contribution of Brutélé's TMT business to VOO SA at closing; (3) Remaining 3.1% stake currently held by SOCOFE SA contributed at closing; (4) Customers with at least mobile and broadband subscriptions / total broadband customer; (5) EBITDA and Capex pre-IFRS 16 as reported by VOO

# Highly complementary network and brand assets to address the needs from different market segments and enable significant cross-selling

## Customer base & Revenue

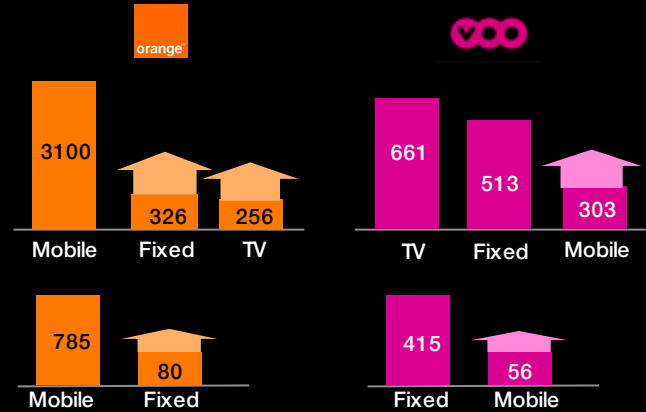
Significant opportunity for cross-selling of mobile, broadband and premium TV services in an increasingly convergent market

Highly complementary combination of know-how in fixed, mobile and TV services

2020 figures

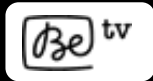
Customers (k)

Revenue<sup>1</sup> (€m)



## Brands

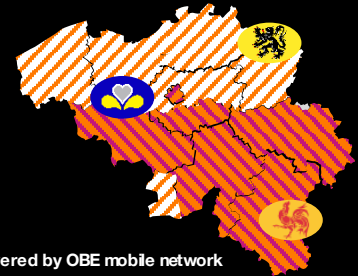
A rich and complementary portfolio of brands to address the various customer segments with highly differentiated value propositions



## Network

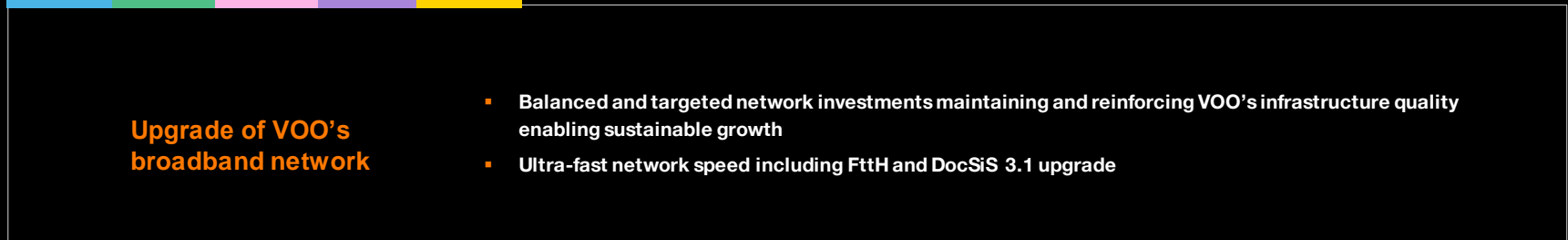
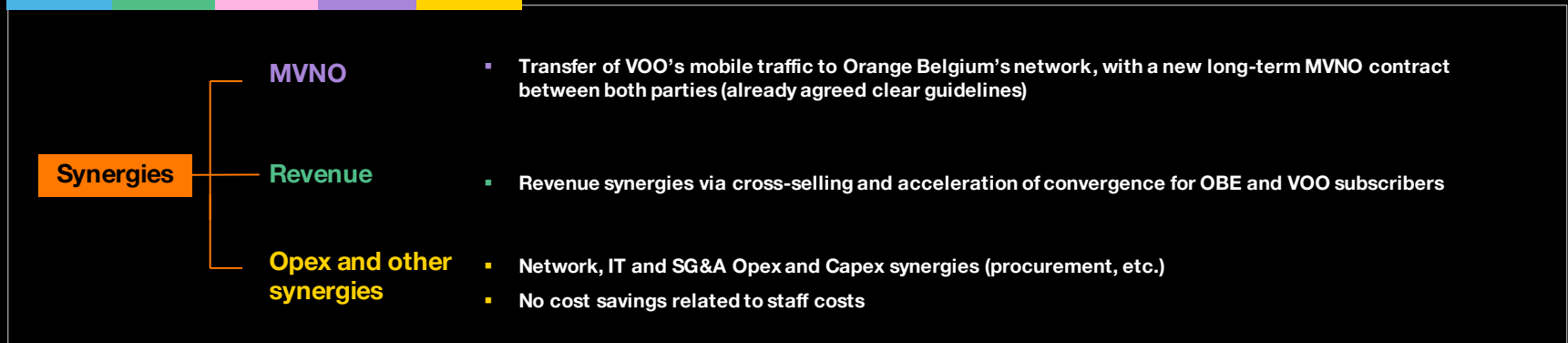
Highly complementary network – fixed and mobile

- Customers would have access to the best quality mobile network and high-speed broadband
- Customers to benefit of latest technology deployments such as 5G and FTTH



- Covered by OBE mobile network
- Covered by OBE mobile network + VOO fixed network

# Clear path to value creation



Run rate EBITDAaL synergies of c. **€85m<sup>1</sup>**

# Key transaction highlights



## Transaction structure

- Sale by Nethys of 100% of the shares in VOO SA to NewCo, a special purpose vehicle to be incorporated by Orange Belgium prior to Closing, followed by the acquisition by Nethys of shares in NewCo representing 25% plus one share on the fully diluted share capital of NewCo
- Rights for Nethys to contribute its stake in NewCo to OBE in the first years post closing at its discretion
- Liquidity mechanism: Nethys' PUT option and OBE/Orange CALL option on Nethys' shares in NewCo or OBE
- Possibility for Nethys to keep minority stake on the long run (equivalent of 10% in Newco)



## Transaction consideration

- Enterprise Value: €1,800m EV implying 9.5x 2021 EBITDAaL<sup>1</sup> pre-synergies and 6.5x post-synergies



## Value creation for all stakeholders

- Strong industrial project underpinned by the complementarity of the two assets, teams and cultures
- Support to reinforce the upgrade of VOO's high-speed cable network to DOCSIS 3.1 and rapid FttH deployment
- Clear value creation potential due to identified areas of material & actionable synergies



## Financing strategy

- A 100% cash transaction for Orange Belgium, financed via an intercompany loan from Orange Group
- Estimated combined Orange Belgium 2022e pro-forma Net Debt/EBITDAaL<sup>2</sup> at c. 3.5x



## Next steps

- Transaction subject, in particular, to customary European Commission authorization and Brutélé TMT business contribution at closing
- Expected closing: 2022



# Thanks

