

Orange Polska

Investor meetings

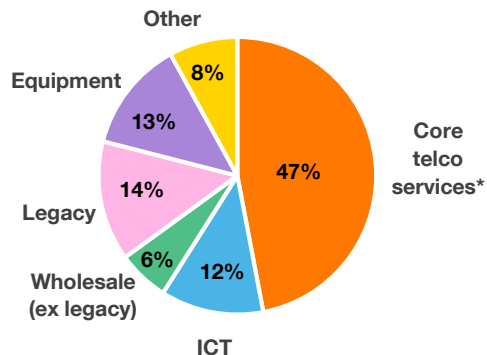
February 2023



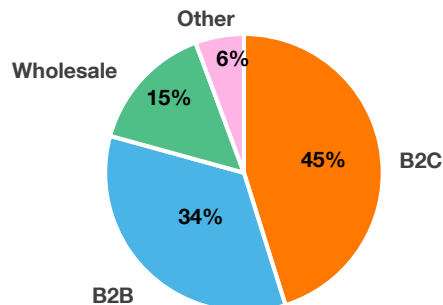
Orange Polska at a glance

We are a key player in all segments of the Polish telecom market

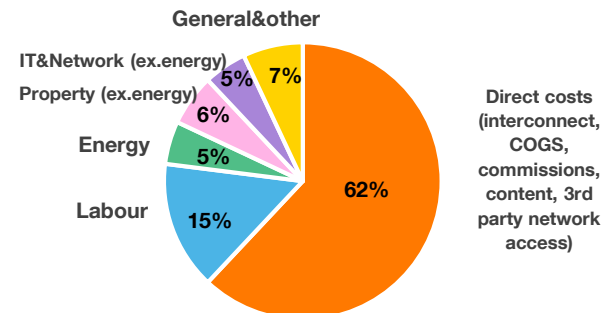
Revenues by services (FY'22)



Revenues by customers (FY'22)









Operating costs (FY'22)



* convergence, mobile, broadband

Commercial strategy centred around:

- **B2C**: fixed and mobile convergence fuelled by growing fibre footprint
- **B2B**: wide portfolio of ICT services complementing core telco business
- **Wholesale**: monetising opportunities related to infrastructure

	Fibre HHC**	Fibre retail Customers	Convergent Customers	Mobile Customers	FBB market share	Mobile market share
						
in m	7.07	1.17	1.63	8.72	28%	29%
yoy change	+19%	+24%	+5%	+4%	0pp	0pp

** households connectable

Polish telco market is getting more consolidated with focus on convergence

 More focus on value with **very low level of telco services prices** compared to EU

 Fixed-Mobile **convergence** at the core of commercial strategies

 **Consolidation** mainly triggered by a push towards convergence

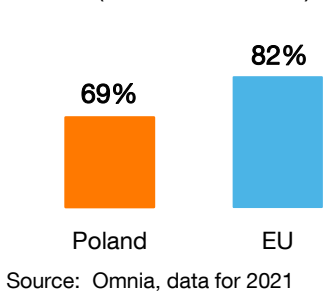
 High demand for fast broadband connectivity, **low penetration of fibre**

 Data consumption booming but **5G only at the dawn**

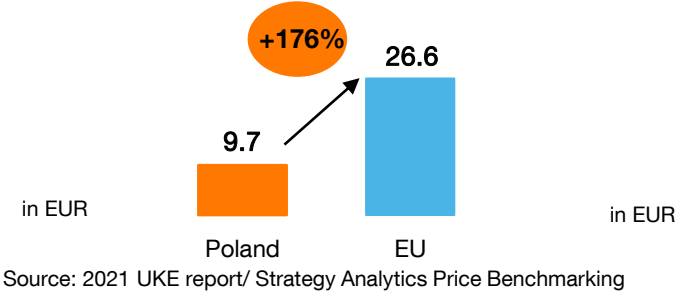
 Pay-TV – OTT content is increasingly popular but linear TV is still strong

Polish telco market with growth potential

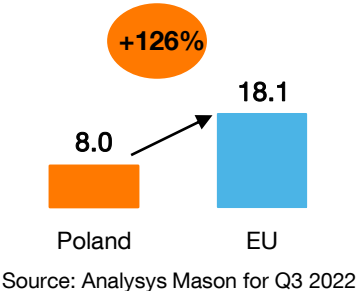
Broadband coverage >100MB/s
(% of households)



Broadband price comparison

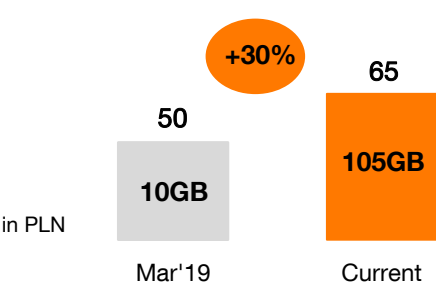


Mobile ARPO comparison

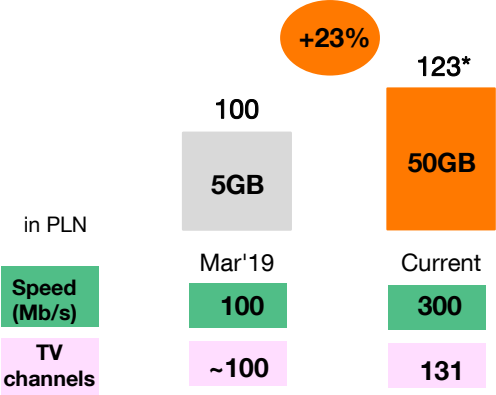


Our more-for-more pricing policy implementation

Mobile middle tariff price evolution

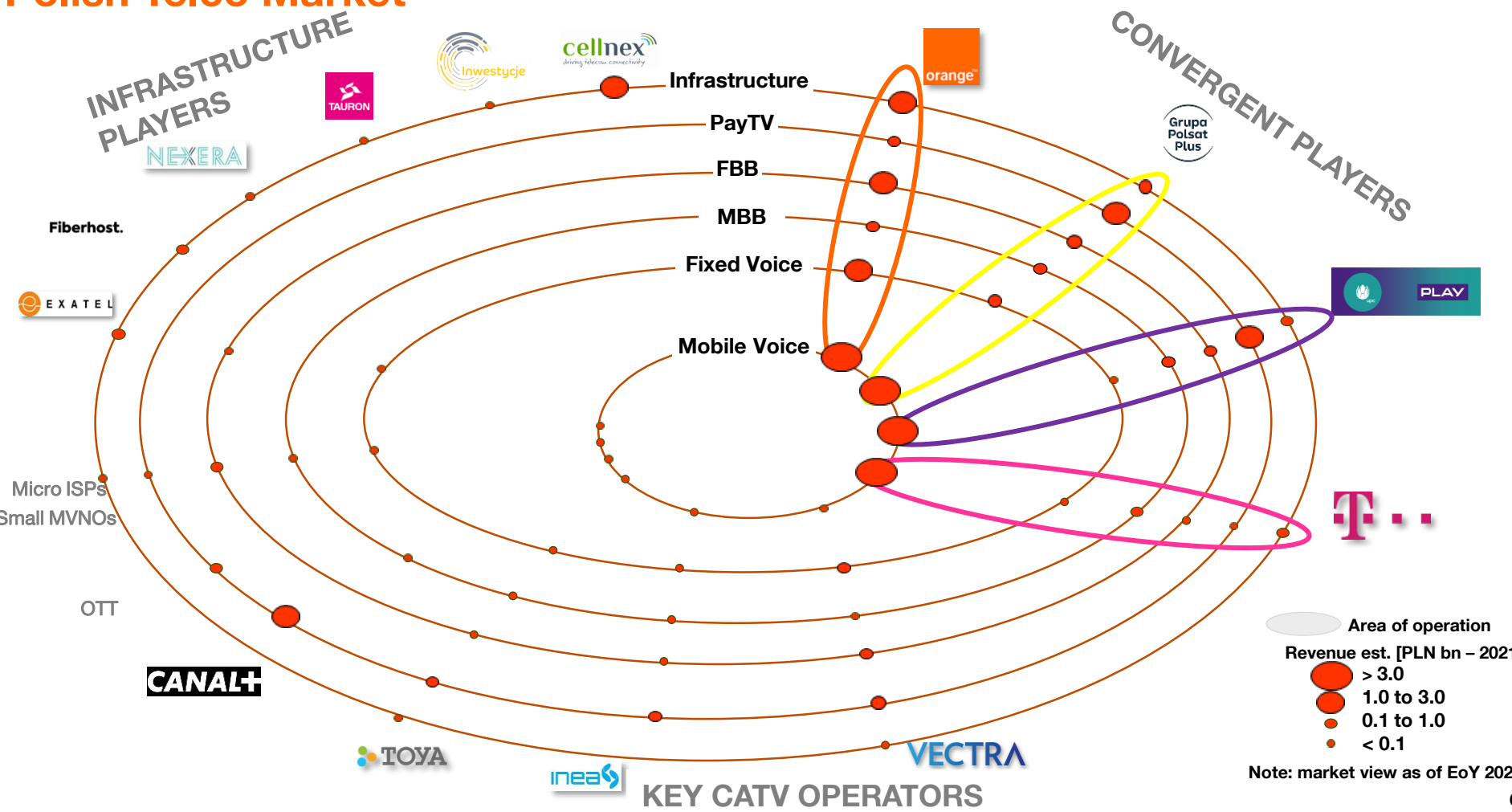


Main convergent package price evolution



*full price incl. additional fees

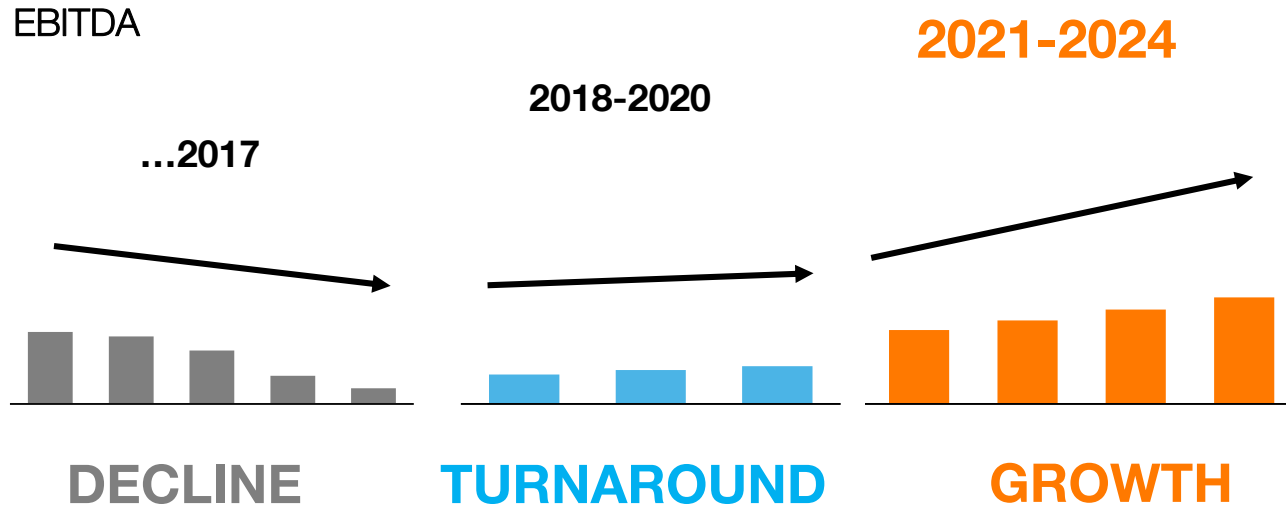
Polish Telco Market



Previous strategy brought us turnaround. Our new strategy brings growth

Turnaround was mainly built on

1. **VALUE** strategy supported by significant **FIBRE INVESTMENTS**
2. **B2B** strengthened in key **ICT** segments
3. **TRANSFORMATION** to **LIGHTER COST BASE** & more agile structure



.Grow strategy 2021-24 key directions



We have clearly identified core service revenue drivers


Convergence
households strategy

Customer base
growing
(fuelled by fibre
expansion)

+

ARPO
growing
(value, 5G &
multiservice)

=

Revenues
>8% CAGR


ICT
centered B2B strategy

Growth on core
integration,
software &
cybersecurity

+

New potential
cloud, 5G, data
& IoT

=

ICT revenues
9-10% CAGR


New Wholesale
monetising our assets

Fibre
on existing &
new reach

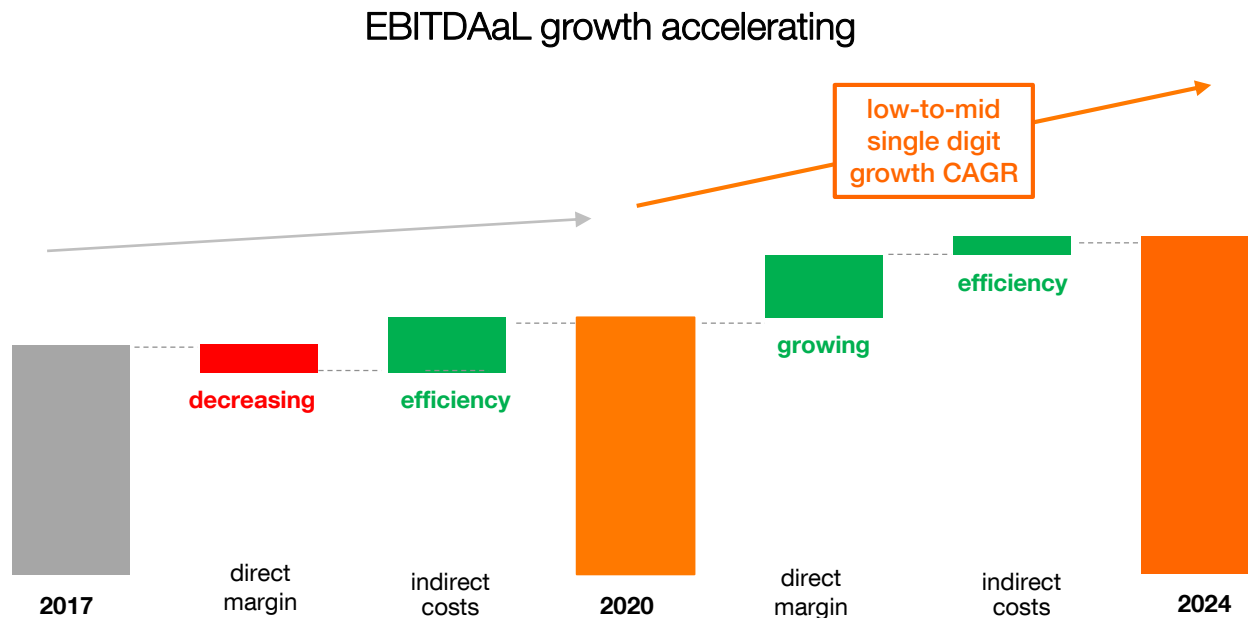
+

New growth
in infrastructure
& MVNO

=

New sources
of revenues

We will grow EBITDAaL both through revenue expansion and cost savings



Growth supported by fibre footprint expansion & investments into 5G

Maintained
eCAPEX range
(PLN bn)

1.7-1.9

1.7-1.9* yearly average

Significant **fibre footprint expansion**
realised mainly through **partnerships**



CAPEX
spendings
redirected
from fibre
to 5G

100%



2017-2020

2021-2022

2023-2024

Fibre

5G & RAN renewal

Others

PLN 0.4-0.5bn yearly for **5G rollout** &
once-in-a-decade **RAN renewal**, to
prepare network for further growth






Fibre capex of PLN <0.3bn yearly
allocated to **B2B & cust. connections**

Other capex progressively optimised &
focused on supporting **transformation**

continued optimisation of real estate portfolio



.Grow strategy: we are in line with the plan despite difficult environment

		Mid-term guidance (2021 to 2024)*	2021-22 performance
	Revenues	low single digit growth CAGR	+4.2% CAGR
	EBITDAaL	low-to-mid single growth CAGR	+4.9% CAGR
	eCapex (PLN bn)	1.7 to 1.9 yearly average over the period	1.73bn (avg 2021-22)
	ROCE	increase 3-4x (vs. 1.6% in 2020)	6.5% in 2022 (4x increase)
	Net debt / EBITDAaL	we aim to keep safe balance sheet, with financial leverage in the range 1.7-2.2x**	1.3x (at the end of 2022)

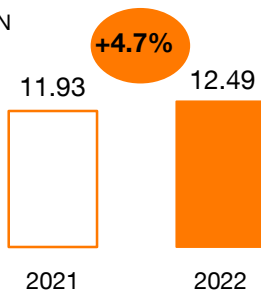
* As presented in .Grow strategy in June 2021

** Long-term prospects for net debt/EBITDAaL

2022 results: strong across the board

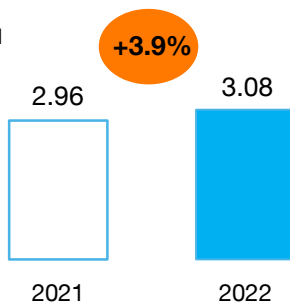
Revenues

in bn PLN



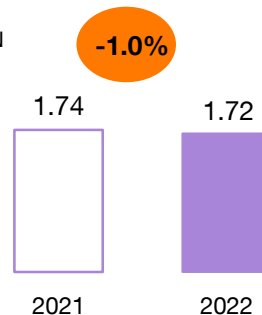
EBITDAaL

in bn PLN



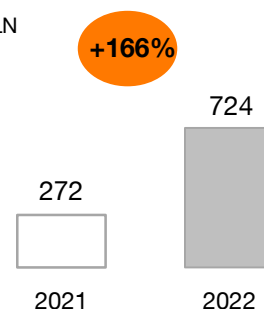
eCapex

in bn PLN



Net Income*

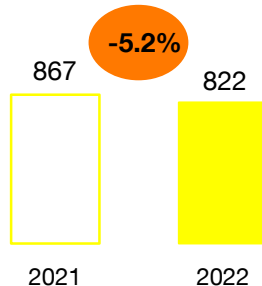
in mPLN



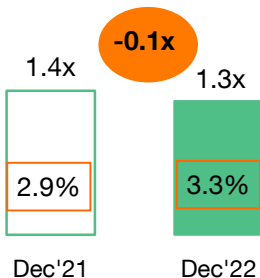
* w/o impact of FiberCo transaction in 2021

Organic Cash Flow

in mPLN



Net debt /EBITDAaL

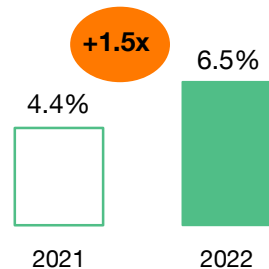


effective interest
rate on debt

2.9%

3.3%

ROCE



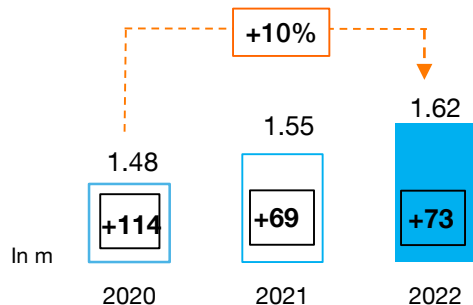


Solid and consistent performance in all key subscription services: ARPO growth coupled with customer base expansion

PLN
114.7

Convergence ARPO +3% yoy
in 2022

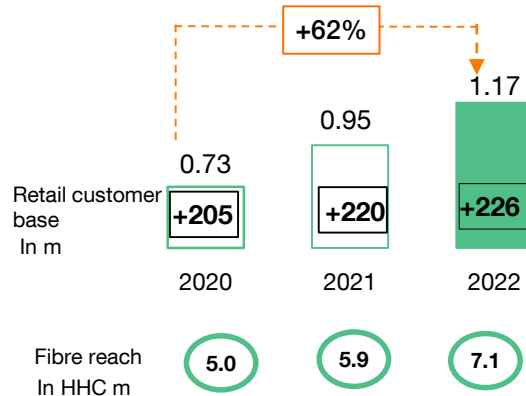
Steady growth pace of
convergence customer base



PLN
61.7

Fixed broadband-only ARPO
+4% yoy in 2022

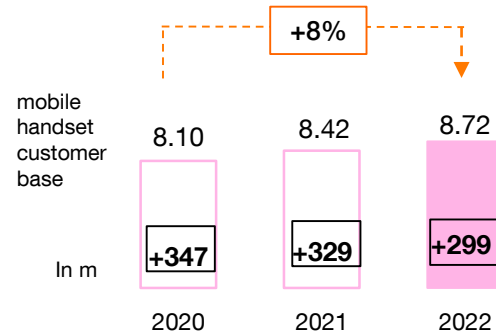
Strong demand for Orange fibre
continues



PLN
28.5

Mobile-only handset ARPO
+3% yoy in 2022

Consistent expansion of mobile
customer base



More-for-more initiatives implemented in 2022



B2C mobile

	Plan XS	Plan S	Plan M	Plan L
in PLN	40*	55 50*	65 60*	85 80*
in GB	5*	30 15*	140/70** 60*	300/150** 120*

- **PLN 5 price hike** in exchange for more GB and **Cybershield** (cyber security tool)
- **PLN 10 automatic price increase** after end of loyalty contract



B2B mobile

	Plan S	Plan M	Plan L	Plan XL
in PLN	50 45*	60 60*	80 75*	105 100*

- **PLN 5 price hike** in exchange for more GB (3 of the 4 tariffs)
- **PLN 5 automatic price increase** after end of loyalty contract

Love Convergence (Love Standard)

	300 Mb/s	600 Mb/s	1 Gb/s
in PLN	114.99*** +5****	122.49*** +2.5****	137.49*** +7.5****

- **Price hike** in exchange for more GB and TV:
30GB → **50GB**
119 → **131 TV channels**
- **PLN 10 automatic price increase** after end of loyalty contract



hike of pre-paid tariffs (PAYG)

	0.49 min	0.29 SMS
in PLN	0.40*	0.25*

*previous offer

** for first 12 months 140 GB in M tariff, and 300 GB in L tariff

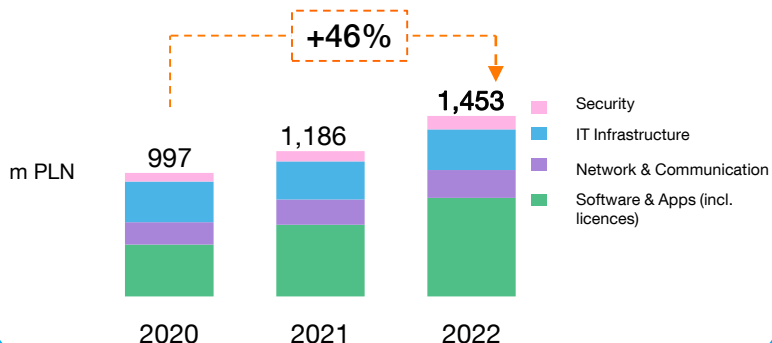
***the avg price, the price for 1-6 month for all speeds is PLN 99.99 and for 7-24 months is PLN 119.99, PLN 129.99, PLN 149.99 for 300 Mb/s, 600 Mb/s and 1 Gb/s, respectively

****vs previous offer

Core retail business is supplemented by well performing revenues from ICT services and wholesale activity

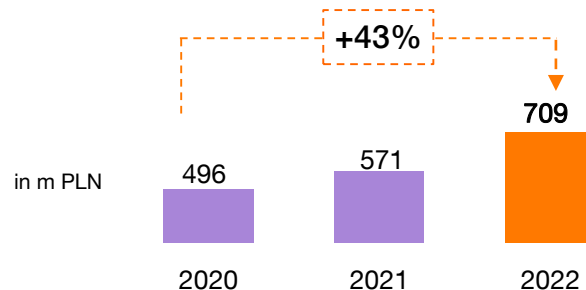
- We are **one of the largest players** on the Polish **ICT market** supporting our telco services for business customers
- Consistent strong ICT revenue growth reflects **well-diversified portfolio** and our ability to benefit from digital transformation of Polish enterprises

Robust ICT revenues performance



- Wholesale **improves return** on investments in our extensive infrastructure and allows us to **monetise growing demand** from other operators
- Demand is driven by **expansion of fibre networks**, adoption of **convergent strategies** and need for **mobile backhaul**

Strong wholesale revenue* growth



*wholesale revenues excluding non-fibre fixed wholesale and interconnect (legacy)

.Grow financial ambitions confirmed by 2021-22 performance & 2023 outlook

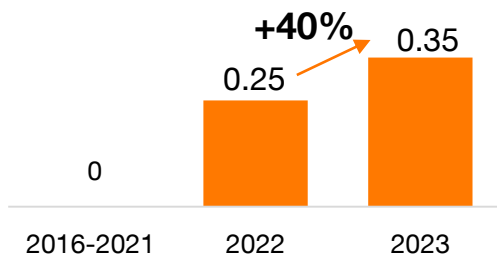
	Revenues	EBITDAaL	eCAPEX
Strategy mid-point performance 2021-22	+4.2% CAGR	+4.9% CAGR	PLN 1.73bn (annual average)
2023 outlook	low single digit growth	flat/low single digit growth	PLN 1.5-1.7bn
	<ul style="list-style-type: none">Key trends in core telecom services, ICT and wholesale to continue support growth	<ul style="list-style-type: none">To be supported by revenue growth and further cost transformationInflation to weigh on operating costs	<ul style="list-style-type: none">Disciplined investingInception of 5G rolloutAmbitious plan for disposal of unused real estate
All .Grow 2020-24 ambitions reconfirmed	low single digit growth CAGR	low-to-mid single digit growth CAGR	PLN 1.7-1.9bn yearly average over the period



We are increasingly sharing benefits of growth with our shareholders

Cash dividend
 **PLN 0.35**
per share

to be paid in 2023 from 2022 profits*



.Grow dividend policy:

PLN 0.35 as sustainable floor for the future

Future changes to be considered yearly, including:

- Projections of underlying financial results
- Long-term financial leverage forecast vs the 1.7x to 2.2x leverage corridor

Why OPL is an attractive investment opportunity

1. **Resilient business** profile with **unique assets** (incl. >7m fibre footprint & 12k mobile sites) and **services** that are **essential** for our customers
2. We are at **a unique point in our history**, after completing a successful business turnaround we have **entered a growth phase**. We have transformed from a copper-based monopoly to a **modern fibre/mobile** convergent based Company with increasing exposure to **fast growing ICT market**
3. In mid-point of new strategy implementation we have **performed exactly as we committed**
4. We have **reinstated the dividend in 2022 and raised it by 40% in 2023**, based on a dividend policy that offers a floor level and upside potential based on prospective financial results and leverage
5. A **FCF yield of c.10%** underscores the investment opportunity

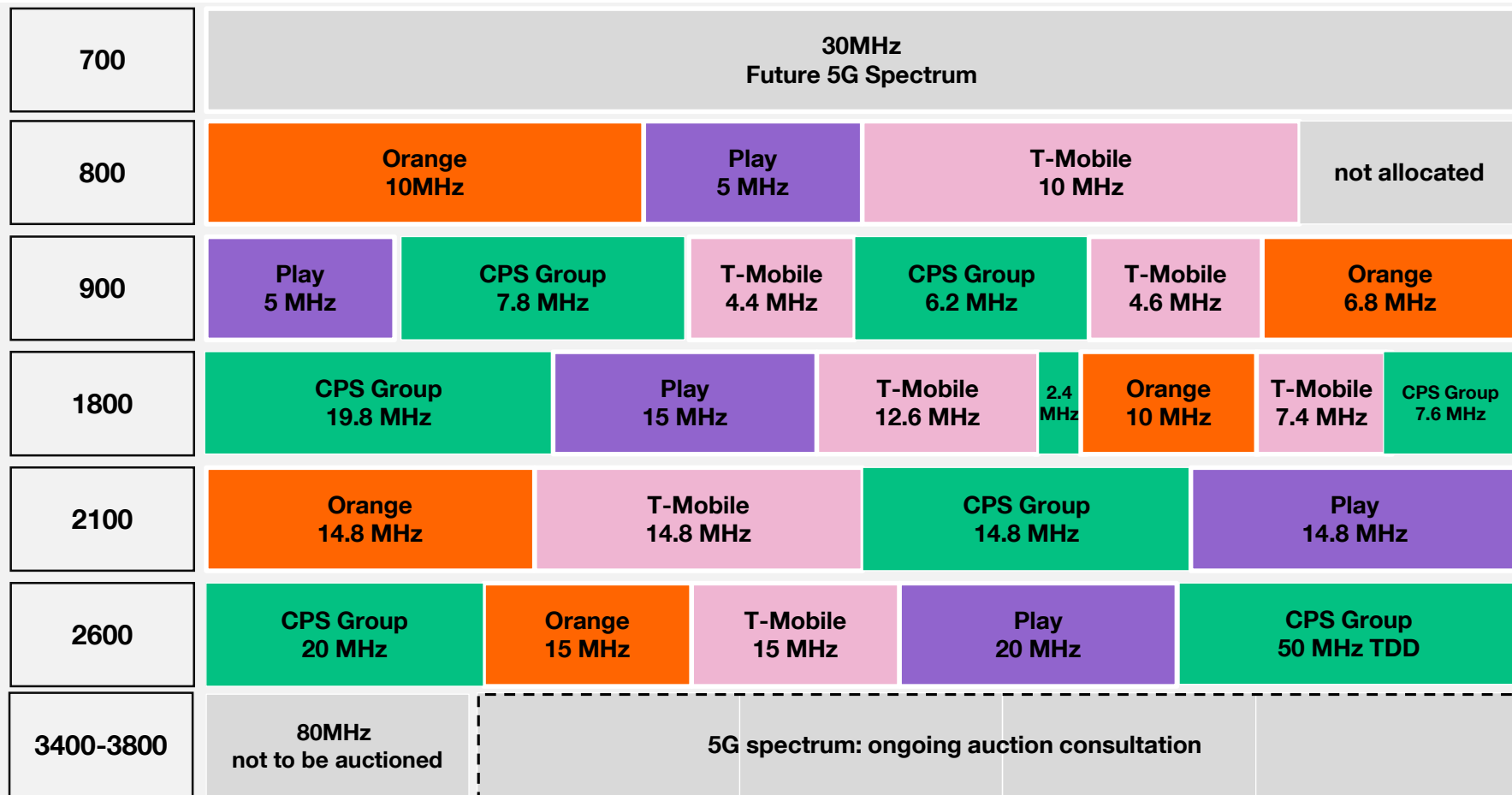
Back up

5G auction consultations started: predictable bidding rules with demanding quality commitments

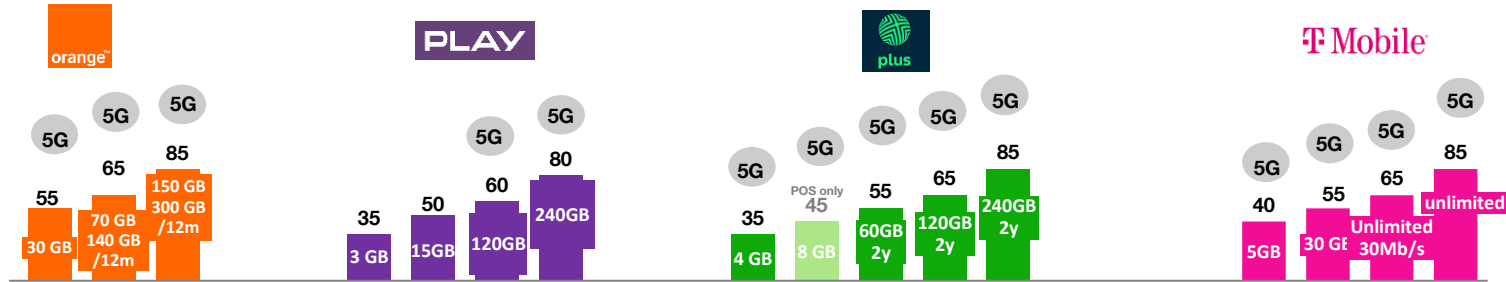
Scope	4 blocks of 80MHz in c-band spectrum (3.5GHz) Cap of 1 block per bidder
Starting price	PLN 450m (per block)
Conditions to participate	>PLN1bn capex on telecom infrastructure; possession of spectrum licence
Commitments	A lot coverage and quality commitments incl. coverage of roads and railway lines with min speed and max latency

- Focus of the regulator is on network quality
- Auction consultation and preparation process may take up to several months; the regulator expects bidding in Q3'23

Map of Polish mobile spectrum



Comparison of mobile offers on the market (1 SIM)- Feb'23



* Orange offers: Plan S, Plan M, Plan L

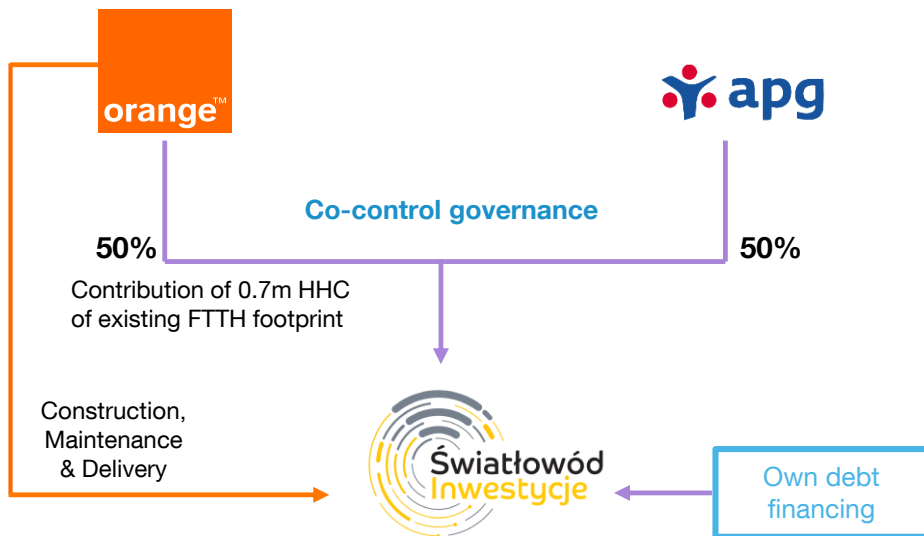
** Play offers: S, S+, M, L

*** Plus offers: Plus.45 PRO, Plus.55 PRO, Plus.65 PRO, Plus.75 PRO, Plus.95 PRO

**** T-Mobile offers: T-Mobile XS, S, M, L

FiberCo (Światłowod Inwestycje) as a new concept to continue fibre footprint expansion

Strong customer demand, low broadband penetration outside of big cities and good returns on investment so far motivate us to continue fibre rollout



c.PLN 2,748m
100% EV of FiberCo

c.PLN 1,374m
Proceeds for OPL from 50%
stake sale

o/w
PLN 887m
paid on closing in
Aug 2021

o/w
PLN 487m
paid in 2022-26
after delivering
agreed rollout plan

1.7m new fibre
households
(by 2025)

In open access model

In low and mid
competition areas

Settlements between OPL and FiberCo



Current picture of settlements between OPL and Światłowod Inwestycje (FiberCo)

Revenues

wholesale

- telco services: infrastructure rental, transmission network

Costs

labour costs

- investment process and network maintenance

interconnect costs

- BSA access fee per retail OPL client

network & IT

- mainly costs related to customer connections and activations

other external purchases

- back office services and materials inventory

other operating income/costs

- income from non-telco services delivered to FiberCo

EBITDAaL

- broadly neutral impact

