

# Orange Polska

## 2019 results

17 June 2020

.one



## Forward looking statement

This presentation contains 'forward-looking statements' including, but not limited to, statements regarding anticipated future events and financial performance with respect to our operations. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like 'believe', 'expect', 'anticipate', 'estimated', 'project', 'plan', 'pro forma', and 'intend' or future or conditional verbs such as 'will', 'would', or 'may'. Factors that could cause actual results to differ materially from expected results include, but are not limited to, those set forth in our Registration Statement, as filed with the Polish securities and exchange commission, the competitive environment in which we operate, changes in general economic conditions and changes in the Polish, American and/or global financial and/or capital markets. Forward-looking statements represent management's views as of the date they are made, and we assume no obligation to update any forward-looking statements for actual events occurring after that date. You are cautioned not to place undue reliance on our forward-looking statements.

# 2019 performance confirms our turnaround



Implementation of the "more for more" strategy (B2C, pre-paid, B2B)



BlueSoft acquisition reinforces capacity in ICT and B2B

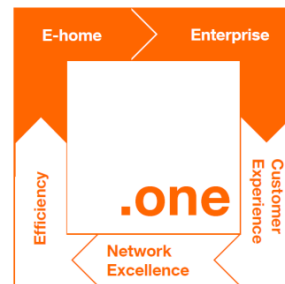
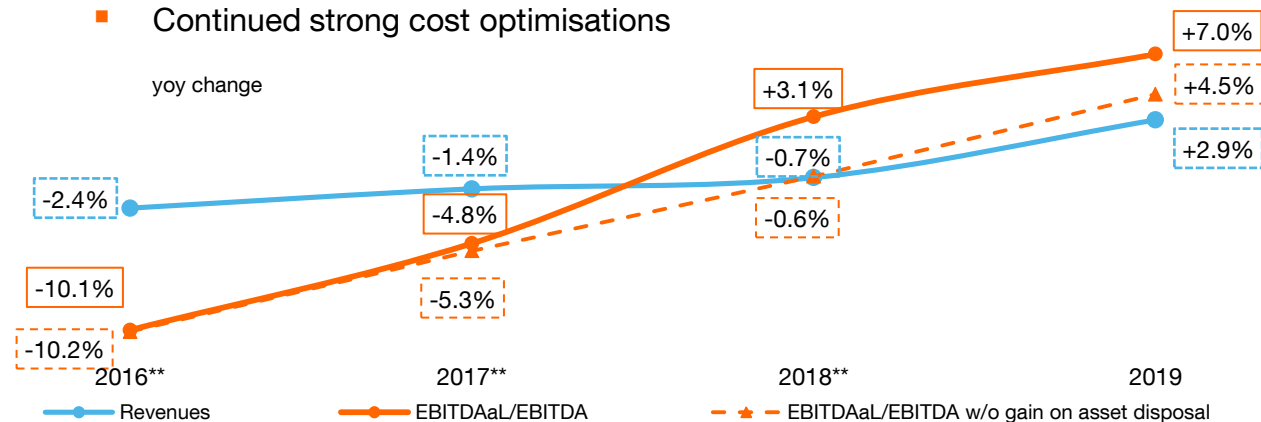


Launch of innovative Orange Flex offer



The 2nd consecutive year of EBITDAaL\* growth driven by

- Constantly improving revenue trend (in 2019 first revenue growth in 13 years)
- Continued strong cost optimisations



\*For 2018 the growth refers to adjusted EBITDA. Both adjusted EBITDA (until 2018) and EBITDAaL (from 2019) are key measures of operating profitability used by the Management Board

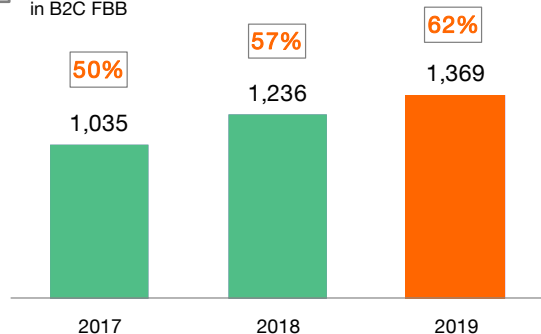
\*\*2016, 2017, 2018 yoy presents adjusted EBITDA evolution

# Successful commercial performance reflecting value creation

## 11% growth of convergent customer base in 2019

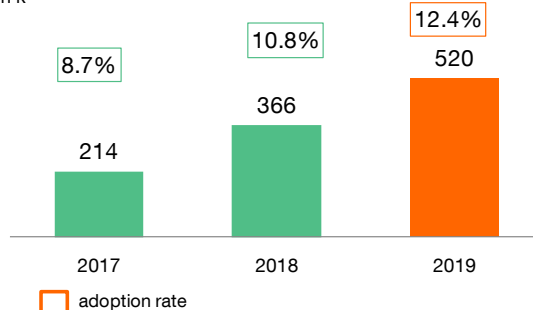
in k

□ Penetration in B2C FBB



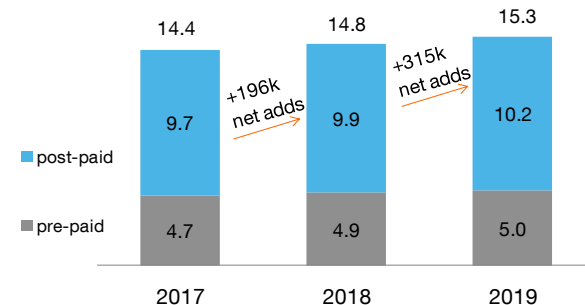
## 42% growth of fibre customer base in 2019

in k



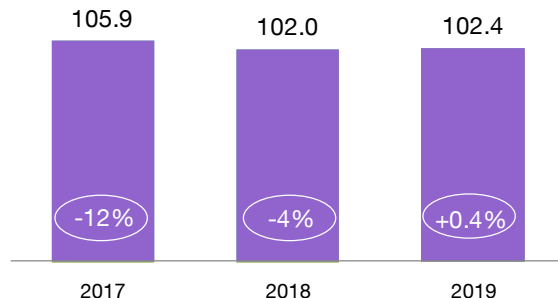
## Growing net customers additions in mobile

in m



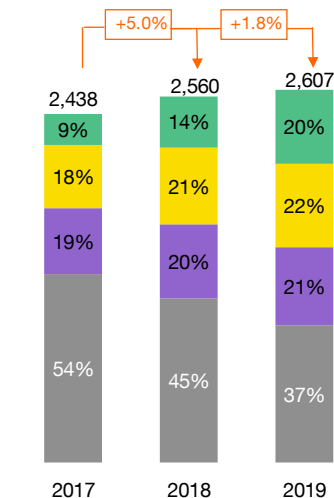
## Stabilisation of convergence ARPO

PLN / yoy change



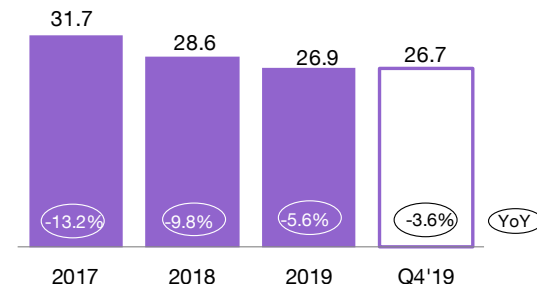
## Improving FBB customer base technology mix

in k



## Improving trend in mobile- only post-paid ARPO

PLN/month and yoy % change



■ ADSL ■ VDSL ■ Wireless for Fixed ■ Fibre

## FY 2019 financial results key highlights

| in PLNm                                 | 2019   | 2018*  | yoy    | key points for 2019   |
|---|--------|--------|--------|---|
| revenues                                | 11,406 | 11,087 | +2.9%  | <ul style="list-style-type: none"> <li>▪ Growth driven by convergence, IT&amp;IS and equipment</li> <li>▪ Improving performance of mono mobile</li> </ul>                               |
| EBITDAaL                                | 3,006  | 2,809  | +7.0%  | <ul style="list-style-type: none"> <li>▪ Strong support from cost optimisation</li> <li>▪ Record high gains on asset disposals</li> <li>▪ Improvement in direct margin trend</li> </ul> |
| % of revenues                           | 26.4%  | 25.3%  | +1.1pp |   |
| EBITDAaL excl. gains on asset disposals | 2,735  | 2,617  | +4.5%  |   |
| net income                              | 91     | 10**   | n/a    | <ul style="list-style-type: none"> <li>▪ Supported by lower depreciation</li> <li>▪ Impacted by provision for the impact of employment termination programs</li> </ul>                  |
| CAPEX                                   | 2,140  | 2,114  | +1.2%  | <ul style="list-style-type: none"> <li>▪ Consistent with strategy</li> </ul>  |
| organic cash flow                       | 737    | 411    | +79%   | <ul style="list-style-type: none"> <li>▪ Supported by sale of assets and improvement in working capital</li> </ul>  |

\*Comparable basis

\*\* On reported basis

# 2020 guidance

|          | 2019<br>(IFRS16)<br>as reported | 2019<br>(IFRS16,<br>new APM) | 2020 guidance  |
|----------|---------------------------------|------------------------------|----------------|
| EBITDAaL | PLN 3,006m                      | PLN 2,735m*                  | Growth vs 2019 |

- ...But COVID-19 crisis will impact our results
  - We swiftly adapted to the crisis outbreak but...
  - ... unprecedented situation creates a lot of uncertainty and risks
  - We are working to address the dynamic situation and compensate some of the impact

\* since 2020 EBITDAaL excludes gains on asset disposal

# Q&A