

Orange Polska

24 April 2023

1Q 2024 results



.Grow



Orange People

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.

Highlights & Business review

Liudmila Climoc
Chief Executive Officer



1Q'24: Strong start of the year



Solid commercial momentum

- Good demand from consumers for telecom services and 5G handsets
- Coupled with steady pace of ARPO growth



Good financial start of the year with c.5% yoy EBITDAaL growth

- Solid revenue from core telecom services offset by decline in IT&IS and energy resale
- Strong EBITDAaL growth driven by both higher direct margin and lower indirect costs



Investing in the quality of mobile and fibre networks

- 5G rollout of c-band on track with ca.1.4k base stations
- Launch of fibre rollout with EU subsidies (155k HHC)



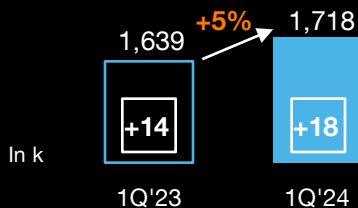
Solid commercial momentum of core telecom services



PLN
121.8

Convergence ARPO **+4.6% yoy**

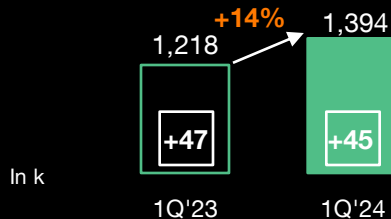
Higher convergence net customer additions



PLN
65.5

Fixed broadband-only ARPO **+4.0% yoy**

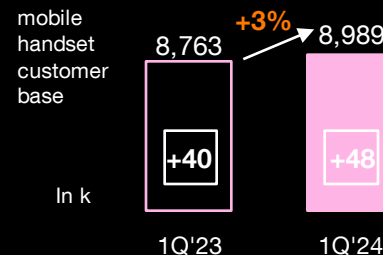
Good fibre customer base growth despite intensive competition



PLN
29.4

Mobile-only handset ARPO **+1.7% yoy**

Solid net customer additions



Financial review

Jacek Kunicki
Chief Financial Officer



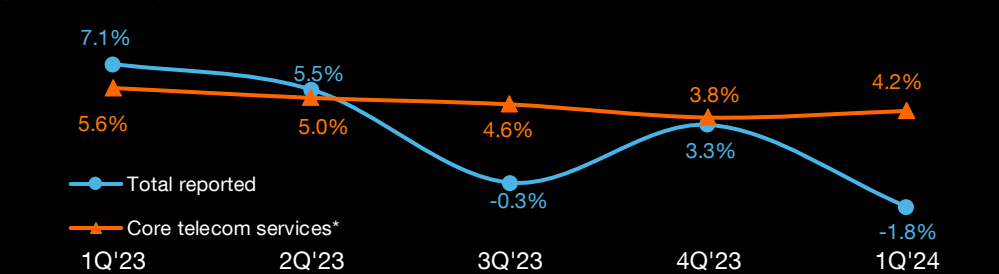
1Q'24 financial results: a strong start of the year

	in PLNm	1Q'24	yoy	
	revenues	3,081	-1.8%	<ul style="list-style-type: none"> Growth of core telco services (+4.2% yoy) offset by lower IT&IS and energy resale (lower market prices)
	EBITDAaL	799	+4.9%	<ul style="list-style-type: none"> Driven by good growth of core business, less pressure from energy costs and benefits of our efficiency actions
	% of revenues	25.9%	+1.6pp	
	net income	227	-16%	<ul style="list-style-type: none"> Strong EBITDAaL offset by unfavourable 1Q 2023 comparable base for sale of real estate and depreciation
	eCAPEX	291	+29%	<ul style="list-style-type: none"> Different timing of proceeds from sale of real estate
	organic cash flow	22	+141m	<ul style="list-style-type: none"> Reflects higher EBITDAaL and lower payments to capex vendors (different phasing of capex in 2022 and 2023)

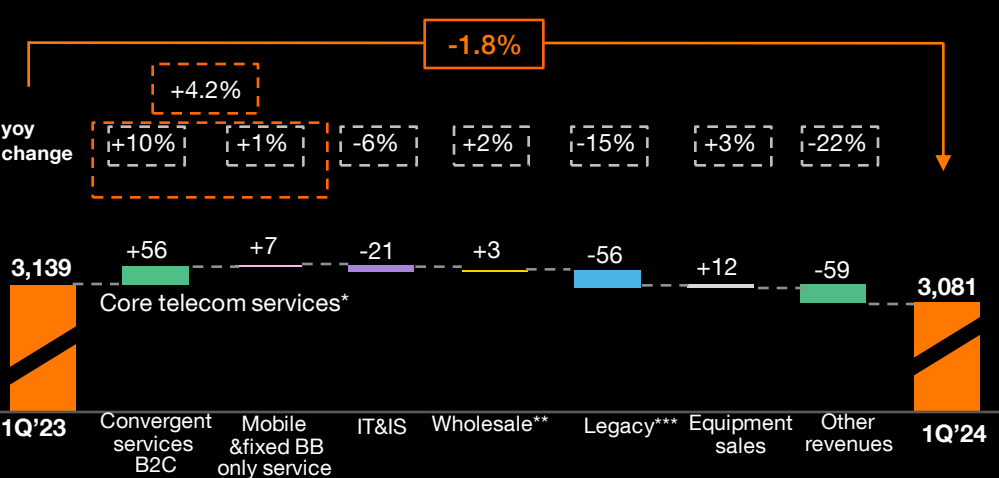
1Q revenue -1.8% yoy but solid growth of core telecom services

- **Core telecom services*** (+4.2% yoy)
Strong performance driven by both customer base and ARPO growth
- **IT&IS** (-6% yoy)
Reflects mainly cyclical slowdown in the demand from public sector
- **Other** (-22% yoy)
Decrease in energy resale revenue due to much lower prices on the market
- **Equipment sales** (+3% yoy)
Growth driven by consumer demand for 5G enabled handsets

Revenue evolution
(yoy change in %)



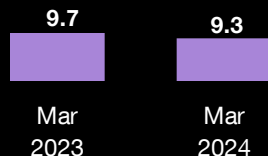
Revenue evolution breakdown
in PLNm



1Q EBITDAaL +4.9% yoy with higher direct margin and less indirect costs

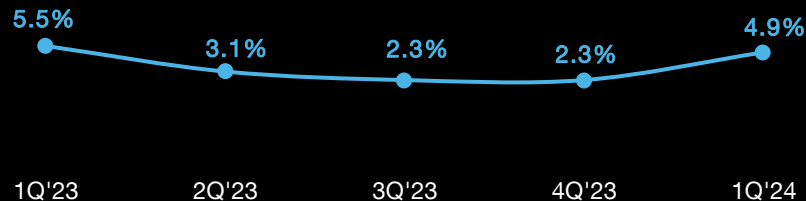
- Direct margin up 1 % yoy:
 - Solid growth from core telecom services & equipment offsetting less margin from IT&IS and energy resale
- Indirect costs down 3% yoy:
 - Less pressure from energy costs coupled with efficiency gains

Employment in k FTE



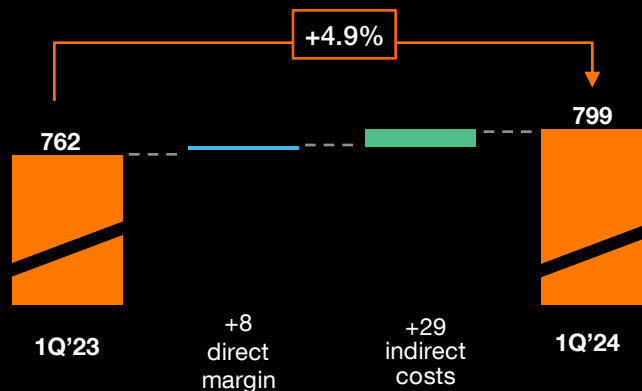
EBITDAaL evolution

(yoy change in %)



EBITDAaL evolution breakdown

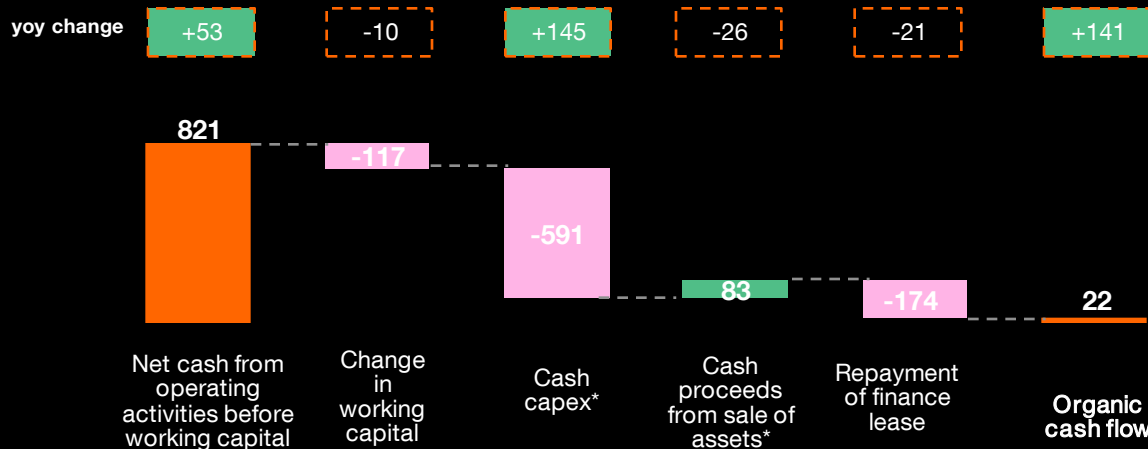
(yoy change in PLNm)



Solid 1Q Organic Cash Flow and balance sheet

Organic Cash flow evolution breakdown in 1Q 2024

in PLNm



* Cash capex reduced by PLN 12m of cash proceeds from sale of fibre network assets to FiberCo (excluded from cash proceeds from sale of assets)

Net debt

in PLNm

	3,528	3,482
net debt /EBITDAaL	1.1x	1.1x
	Dec'23	Mar'24
effective interest rate on debt	3.2%	3.2%

OCF evolution reflects:

- Strong EBITDAaL growth
- Lower cash capex (less payments for prior year's capex)
- Lower proceeds from sale of assets

- PLN 1.2bn of debt to be refinanced in May
- Post refinancing 57% of debt maturing in 2026

Summary

Liudmila Climoc
Chief Executive Officer



Summary



Solid start of the year; full-year guidance confirmed



Focus on growing number of customers and the value that we offer to them on the back of excellent customer experience



Continuation of savings and transformation actions

2024 guidance fully confirmed

Revenues yoy

EBITDAaL yoy

eCAPEX

2024

low single digit growth

low single digit growth

PLN 1.7-1.9bn

Q&A

Appendix

Reconciliation of operating performance measure to financial statements

Disclosures on performance measures have been presented in the Note 2 to Condensed IFRS Quarterly Consolidated Financial Statements of the Orange Polska Group for the 3 months ended 31 March 2024 (available at <https://www.orange-ir.pl/results-center/>).

<i>in PLNm</i>	1Q 2024	1Q 2023
Operating income	349	392
Less gains on disposal of assets	-42	-86
Add-back of depreciation, amortisation and impairment of property, plant and equipment and intangible assets*	505	487
Add share of loss of joint venture adjusted for elimination of margin earned on asset related transactions with joint venture	37	13
Interest expense on lease liabilities	-37	-31
Adjustment for the impact of employment termination programs and reorganization costs	-13	-13
EBITDAaL (EBITDA after Leases)	799	762

*Includes impairment of rights of perpetual usufruct of land historically recognised as property, plant and equipment, subsequently reclassified to right-of-use assets (PLN 4 million in 1Q 2023).

Details of bottom line evolution in 1Q 2024

in PLNm	1Q'24	1Q'23	Change
EBITDAaL	799	762	+37
Gains on disposal of assets	42	86	-44
D&A of PPE and intangible assets*	-505	-487	-18
Add-back interest expense on lease liabilities	37	31	+6
Adjustment for the impact of employment termination programs	13	13	0
Share of profit of joint venture adjusted for elimination of margin earned on asset related transactions with joint venture	-37	-13	-24
Operating income	349	392	-43
Net financial costs	-69	-62	-7
<i>o/w foreign exchange loss/gain</i>	1	-2	+3
Income tax	-53	-60	+7
Net income	227	270	-43

*Includes impairment of rights of perpetual usufruct of land historically recognised as property, plant and equipment, subsequently reclassified to right-of-use assets (PLN 4 million in 1Q 2023).

Details of organic cash flow evolution in 1Q 2024

in PLNm	1Q'24	1Q'23	Change
Net cash flow from operating activities before change in working capital	821	768	+53
Change in working capital*	-117	-107	-10
Net cash flow from operating activities	704	661	+43
CAPEX	-369	-383	+14
Change in CAPEX payables**	-234	-419	+185
Cash proceeds from sale of assets	95	175	-80
Repayment of lease liabilities	-174	-153	-21
Organic cash flow	22	-119	+141

* Does not include change in the working capital related to capex which is presented separately

** Includes exchange rate effect on derivatives economically hedging capital expenditures, net

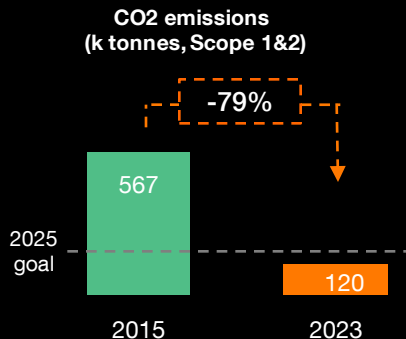
We successfully combine growth with social responsibility



Environment

CO2 emissions reduction goal met 2 years in advance (-65% in 2025 vs 2015)

- CO2 emissions (scope 1&2) -79% vs 2015:
 - energy consumption -2% yoy with 74% coming from renewables (vs. 12% in 22)



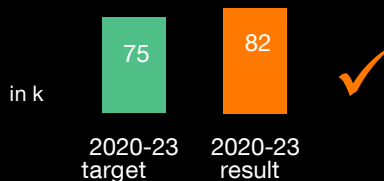
- Scope 3 (value chain) actions related mainly to circular economy
 - ~1.5m refurbished handsets and devices in 2021-23



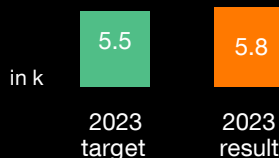
Social

We make new technologies a supporter of social development

- 82k teachers trained in the completed Lesson:Enter programme (digital skills)



- 5.8k children in 2023 educational programmes (safety, programming)



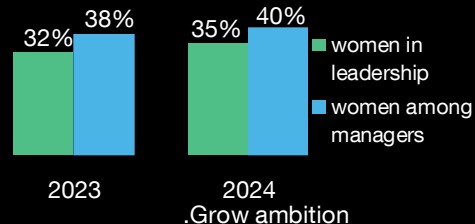
- 6.5k seniors in 2023 online courses reducing socio-digital exclusion



Governance

Responsible management and supervisions to achieve strategic goals

- Increasing diversity in employment: 32% of women in leadership and 38% among managers



- Compliance with the highest ESG reporting standards (preparation for CSRD reporting)

Glossary (1/2)

4G/LTE	Fourth generation of mobile technology, sometimes called LTE (Long Term Evolution)
5G	Fifth generation of mobile technology, which is the successor to the 4G mobile network standard
Adoption rate	Fibre customer base (retail + wholesale)/ Total households connectable to our fibre network (own and 3rd parties)
ARPO	Average Revenue per Offer
AUPU	Average Usage per user
Churn rate	The number of customers who disconnect from a network divided by the weighted average number of customers in a given period
Convergent services	Revenues from B2C convergent offers. A convergent offer is defined as an offer combining at least a broadband access (xDSL, FTTH or wireless for fixed) and a mobile voice contract with a financial benefit. Convergent services revenues do not include equipment, incoming and visitor roaming revenues
Core telecom services	Convergence, mobile-only and broadband-only services
EBITDAaL	EBITDA after leases, key measure of operating profitability used by management (for definition please refer to the Note 2 to IFRS Consolidated Financial Statements of the Orange Polska Group)
eCapex	Economic Capex, key measure of resources allocation used by management (for definition please refer to the Note 2 to IFRS Consolidated Financial Statements of the Orange Polska Group)
FBB	Fixed Broadband
Fibre	fixed broadband access network based on FTTH (Fibre To The Home) /DLA (Drop Line Agnostic) technology which provides the end user with speed of above 100Mbps

Glossary (2/2)

Fixed broadband-only services	Revenues from fixed broadband offers (excluding B2C convergent offers and equipment sales) including TV and VoIP services
FTE	Full time equivalent
FTR	Fixed termination rate
HHC (Households connectable) in fibre technology	Households where broadband access service based on fibre technology can be rendered
ICT	Information and Communication Technologies
Mobile-only services	Revenue from mobile offers (excluding consumer market convergent offers) and Machine to Machine (M2M) connectivity. Mobile only services revenue does not include equipment sales, incoming and visitor roaming revenue
MTR	Mobile termination rate
Wireless for fixed	fixed broadband cell-locked wireless access offered by Orange Poland for home/office zone with rich data packages
Organic Cash Flow	Organic Cash Flow- key measure of cash generation used by management (for definition please refer to the Notes 2 to IFRS Consolidated Financial Statements of the Orange Polska Group)
PPA	Power purchase agreement
ROCE	Return on capital employed = EBIT (ex. extraordinary items) / (Shareholder's Equity + Average net debt)