Orange Polska

CONFERENCE CALL ON ORANGE POLSKA'S RESULTS FOR THE FY 2025

Leszek Iwaszko, Head of IR:
Good morning. Thank you for standing by. Let me welcome you to Orange Polska conference call in which we will summarize our achievements in 2025. My name is Leszek Iwaszko and I'm in charge of Investor Relations. The format of the call will be a presentation made by the management team followed by a Q&A session. Speakers for today will be our CEO, Liudmila Climoc and CFO, Jacek Kunicki. So I'm passing the floor to Liudmila to begin the presentation.

Liudmila Climoc, CEO:

Thank you, thank you Leszek. Good morning. Happy to welcome you at our conference summarizing last year results and let's start. In March last year we have presented you our new four-year strategy- Lead the Future and today I'm very pleased to say that 2025 was a strong start. We have progressed in all key pillars of our strategy and prepared a solid ground for next years. First on the line is our commercial performance that was excellent in both retail and wholesale. In retail we uplifted both customer base and ARPO. In wholesale we started to benefit from new important business development streams and commercial growth is essential pillar for value creation in our plan. Second to mention is network. In order to win customers we are committed to bring first-class connectivity at home, at work, on the move and in 2025 we significantly progressed in 5G coverage. Already 85% of Polish population can enjoy 5G with better quality, higher speed, better latency. Orange fiber is now reaching almost 10 million homes. It's two thirds of households in Poland and we have added 1 million last year. The third important contributor to our results was transformation, transformation and deficiency. One of the main pillars of the Lead the Future. We increase our efficiency by better cost and by better Capex management. Increasing profit margins and improving cash conversion as a result. We have initiated a new transformation program last year that brought the first results but we expect more to come in next years. Lead the Future is focused at value creation for our shareholders and in 2025 we clearly demonstrated it by growing our financials. I'm very proud that we delivered 47% in total shareholder return through growth of our share price and paid dividend. Speaking about financials, let's have a look on how we have performed versus guidance.

So here you see the slide illustrating it. We did very well. Growth rates on revenue and EBITDAaL was overachieved. We promised a range of low-single in both cases we achieved mid-single. We overachieved on revenue thanks to positive dynamic in IT&IS and in wholesale but the main engine of revenue growth is our core telco services with strong 6.5% growth. EBITDAaL benefited from strong profitability of core telco and wholesale but also combined with cost efficiencies. For e-Capex guidance: it is met at the low end of a range. Despite lower than expected sales of real estate, we managed our investments very efficiently. As you see our growth story is developing faster than originally expected and let's see what were the main commercial performance drivers for this.

So looking on commercial parts, 2025 was very strong. We attracted new customers and simultaneously we grew ARPO in all key services in a very balanced way. In convergence, both customer based and ARPO increased by a solid 4%. For fiber, customer based increased by 10% and ARPO by almost 5%. And I'm very pleased with these performance in convergence and fiber as the competition here continues to be the most intense. We estimate so that we further improved our market share in high speed broadband. So Orange is the synonym of fiber. Mobile performance in 2025 was exemplary. Almost 350,000 customers joined us with mobile post paid offer. It's almost 4% growth. The highest number in a few years. And both segments were contributing: consumer and business and also all brands were contributing to this performance. ARPO increased by less than 1% and it is explained by a strong contribution of more than 5% growth of ARPO for main brand, which is diluted by an increasing share of the B-brand in our total customer base. A pace of growth in all services is in line with what we said for us as an ambition in Lead with Future. And it is demonstrating that we have right strategy and we are navigating well in the competitive environment in Poland. So to zoom on our commercial tools, let's move to the next slide.

Our focus in Lead the Future is on building new relationships, reaching new families with our services and further using it as a pool for further growth with additional services and with convergence. In 2025, we achieved it by pursuing a bold marketing plan. We visibly improved our marketing communication, refreshing the main brand in order to reach younger segment, changed the visual identity of our prepaid products and our B-brand Nju also received a new format. We put together, we put also higher focus on standalone offers. Our new multi-SIM family offer proved to be a very successful in second part of the year. We boosted content proposition for our fiber and TV offer, making it significantly more attractive. And these elements combined with AI enabled tailored offers contributed to customer loyalty for the existing base and allowed us also to attract new customers. On the value side, we further pursued our more formal strategy. ARPO benefited from a good demand for a higher data plan in mobile and also higher speeds for fiber offer, customers with highest speed options in fiber already account for almost half of our customer base. As a result, the number of Orange households where we are present with our services was growing, reversing multi-year trend and this represents a fundamental change for us, that is also offering very promising prospects for future. This was about retail. Let's now look at wholesale on slide 8.

Last year was particularly strong for our wholesale line of business, both our own and also in our co-owned FiberCo. As you see on slide, we have recorded a solid 13% of wholesale revenue growth, excluding legacy services, much better dynamic versus previous years. And I will mention three drivers that were contributing to it. First is a new fiber backhaul contract, which was bringing results in the last four months of 2025. In 2026, this year it will help us to fill the gap left by national roaming contract, which has expired in 2025. Second is their accelerated growth of revenues from access to our fiber network to other operators and accordingly, growing monetization of our infrastructure. We reported an impressive 36% growth of wholesale customers on our network, a result of opening of our network for wholesale, which took place in the second part of 2024. And the third pillar, or the driver, is services which we ran that to our FiberCo, to Swiatlowod Inwestycje. Like, lease of infrastructure, delivery of services, network maintenance, they are growing in line with a growing scale of FiberCo. Speaking about our 50% co-owned FiberCo, 2025 was a very important milestone year. It marked completion of the initial investment program, which was set in 2021. In line with our plan, FiberCo network reached 2.4 million households. In 2026, new program has started with fully secured financing and we are very pleased with operational and with financial dynamic. Despite the fact that FiberCo is still at a very early stage of development, significantly investing into the network expansion. Swiatlowod Inwestycje's EBITDAaL of last year exceeded 140 million zloty with a margin of 35%. We expect this to increase along with growing network saturation. And obviously, we plan to strengthen it further by Nexera deal. Of course, subject to regulatory approval, which we are awaiting now. This acquisition is expected to be highly synergetic. Now, switching to connectivity on slide 9.

In 2025, we reinforced our commitment to provide the fastest, most reliable and trusted connectivity in Poland. And I want to start from mobile. We made big progress in 2025. Major projects of radio access modernization, which we have started several years ago, is now almost finished. It is making our network more energy efficient and will enable usage of new spectrum for new spectrum bands for 5G. For 5G, it was the second year of rollout on the C-band spectrum. We are covering now already 60% of population in Poland, meaning that we are very much advanced on the market. Rollout on 700 MHz spectrum, aiming wide coverage has started just six months ago, and we are already at 64% population coverage. With both spectrum bands, we boosted 5G coverage to 85% by end of last year, from below 40% a year ago. As well, we have completed the commissioning of obsolete 3G, allocating frequencies to 4G and enabling us to increase network capacity and improve the quality of services which we are providing. In fiber, we are investing both in the reach, in the coverage of the network, but also in service quality. Orange fiber from quality perspective was again validated by independent benchmarks, where our fiber network is ranked again number one in 2025. Fiber reach continues to grow fast. We have added another million households to the coverage reaching 10 million homes in total. It was mostly delivered by Swiatlowod Inwestycje and also by access to other third parties, FiberCos networks. Our own build is targeting white zones with projects supported by EU subsidies. Rollout as well accelerated in 2025, as we have invested almost 90 million zloty in this project, and it will be completed this year in 2026 with investment of over 120 million. Let's zoom now on transformation.

With Lead the Future we have initiated a new wave of transformation. You remember the ambition of our transform & innovate pillar to boost efficiency which will be leading to improved profit margins. We will achieve it through automation, through process engineering and opportunities which are arising from integrating AI in our operations. Firstly, in sales and customer care operations, here digital channels are progressing and we see them being much more efficient and much better responding to customer expectations to be served online fast with seamless experience. And as a result, we are approaching 30% in share of digital sales with ambition to reach 35% by 2028. My Orange app is our key asset here contributing to this target. We are constantly improving it, adding new functionalities and using AI for personalization. In customer care, we are making another step change with AI agents. For instance, in 2025, we launched an agent which helps our advisors to provide optimal remedy for technical problem solving. These reduce number of contacts and improving customer experience. We are working on more agentic solutions to be implemented in this year, 2026 for better quality and better productivity. Secondly, in network operations, we improved cost efficiency last year and we are aiming to do more. To reduce cost of service delivery and network maintenance, we use more remote tools, self-installation, boxless solutions for content and TV and AI-supported dispatching of technicians. We have started progressive decommissioning of legacy copper network, targeting first areas with less customers, less usage and accordingly least profitable and recent deregulation decision will allow us to do it at a much better speed. And finally, we are reducing costs across all our functions, making ourselves a leaner and more agile. In recent months, we have made several organizational changes, aiming to streamline our operations and as a part of this process, we signed a new social plan, with our social partner under which number of employees will be reduced by 12% over the next two years. And finally, I want to stop at the moment at our sustainability agenda and achievements.

I'm convinced that growth and responsibility go together and our actions bring a real difference and contribute to the development of Polish society and economy. And we are very proud of our progress in 2025. In today's fast-changing world, there is a growing need for education on responsible and safe use of technology. And here we concentrate our energy. The number of beneficiaries of various digital programs was growing and exceeded 200,000 last year. And as well last year, our Orange Foundation has celebrated 20 years anniversary a proof of our long-term commitment for society and for digital inclusion. On environmental area, in 2025, we significantly reduced CO2 emissions. Actually, we almost reached our goal, which we set for 2028. This was possible as all the electricity we consumed came from non-emission sources. And finally, in 2025, we reinforced our efforts in the area of circular economy. Thanks to a newly launched platform, we significantly improved the collection of used handsets. And also, we significantly increased the share of refurbished fixed devices that we distribute. It brings positive impact on the environment, but also is improving our cost-based. So, and this being said, I want to pass the floor to Jacek to give a more deep dive on our financials.

Jacek Kunicki, CFO:

Thank you, Liudmila. Good morning, everyone. Let's start with the financial summary. Our financial results last year were strong, and they came above expectations. We have increased both revenues in EBITDAaL by over 4% year over year, and expanding operating activity is the main driver of our value creation. What is important is that this growth is built on solid, sustainable foundations. We've executed a disciplined investment plan, allocating capital to growth areas, and decreasing Capex intensity. We are confident to further optimize capital allocation going forward. As a result, we have converted the EBITDAaL growth to cash flows, reaching 1 billion zloty of organic cash flows in 2025. These achievements have also built solid foundations for further growth of shareholder value in the future. Let's now look at details of our performance starting with revenues.

Q4 revenues have increased by a strong 4.6% year-on-year. Please note that all key products have contributed to this achievement. Let me comment on two of them with the highest impact. First, core telecom services, which are key for our growth, value creation, and margins. We're pleased with their sustainable, strong performance, stemming from a simultaneous growth of the number of customers in the key product areas, and of their respective ARPOs. Core telecom revenues were at 5.5%, so at the high end of our midterm guidance. This was achieved versus a high comparable base of Q4 2024 when we implemented price increases for the customer base of pre-paid. The second item is wholesale. It was an exceptional quarter for wholesale with 27% year-on-year revenue expansion. Q4 included the full impact of the fiber backhaul contract signed in the prior quarter in Q3, and also it was the last quarter with revenues from national roaming. We expect to further growth the value of our wholesale business going forward. To sum up on the top line, first, we're happy with the pace of revenue growth and the key drivers of our margin. Second, revenue growth is supported by all major products lines. This includes IT&IS revenues, which have returned the double-digit growth of sales in 2025, a dynamic that will continue this year. Let's now switch to profitability.

We're pleased with a strong 6% growth of the EBITDAaL in the fourth quarter. This was driven by a 5% increase of the direct margin. It reflected consistent margin expansion from core telecom services coupled with the discussed significant contribution from wholesale. Indirect costs have increased year-over-year, but mostly because of a 30 million zloty impact coming from 2024, when we recorded a catch-up of the fiber rollout margin in the last quarter of 2024. This item apart, indirect expenses grew by less than 1% year-over-year, as cost pressures were contained by the savings program. Our cost transformation is accelerating. It delivered savings in workforce, network operations and G&As, and we plan to increase the savings runrate that will be visible in 2026. The recap on EBITDA first, we delivered a strong 4% growth in the full year of 2025 with an acceleration in the second half of the year. Second, the growth is built on sustainable drivers, as the increasing revenues and margins are converted to EBITDAaL via our high operating leverage. Let's now turn to net income on the next slide.

We achieved 760 million zloty of net income last year. This included a 150 million zloty of provision for a 1000 employee headcount restructuring to be done in 2026 and 2027. It is important to our transformation and it will increase our efficiency going forward. Excluding this provision, net income was on a comparable level to 2024. On the one hand, it was driven up by growing EBITDA, a factor that will consistently boost our net results going forward. On the other hand, it was brought down by two elements that we don't expect to repeat in the future. First, depreciation, which was driven up by purchase of the 5G license, changing asset mix, and one-offs with opposite impacts in both 2024 and 2025. Here, we judge depreciation to have reached its peak in 2025. Second item is finance costs, which increased the consequence of higher debt due to the purchase of the 5G license and higher interest on the 1.2 billion zloty refinancing, which we had made back in the middle of 2024. We expect significant growth of net income this year in 2026, as the EBITDAaL growth is its fundamental underlying driver, while the negative impacts visible in 2025 are largely non-recurrent. Let's now switch to capital expenses on the next page.

Our economic capex amounted to 1.8 billion zloty, so it was at the very low-end of our guidance. Capex intensity measured as a percentage of revenues has decreased to 13.8% in 2025 in line with our mid-term ambitions. We allocated 40% of capex to fiber and mobile networks. In fixed, this included fiber rollout in white zones & connections dedicated to the B2B. In mobile, we have significantly progressed with 5G deployment as discussed by Liudmila a few minutes ago. Please note that this year in 2026, we will finalize the EU-subsidized fiber build, and we will reach the peak of the runrate of 5G rollout. This latter program should be nearly finished by the turn of 2028 and 2029, and both of these present us with an obvious opportunity to further decrease capex intensity after 2028. Let's now look at cash flow on page on the next slide.

We generated 1 billion zloty of organic cash flows last year. This good result was achieved thanks to growing operating cash flows, and these were coming from the EBTIDA, so a sustainable underlying positive driver. It was offset by less cash from the sale of real estate, as 2025 was challenging in this area, and some key transactions were delayed to 2026. As a result, we expect higher inflows from this activity this year. Obviously, the free cash flow was influenced by the acquisition of the 5G license. But now, we have the last of the new spectrum acquisitions for 5G behind us, so the cash flow prospects going forward are much more predictable. On the balance sheet side, the balance sheet remains very strong, and we have already secured the refinancing of the 2.7 billion PLN debt that is due next year.

For the conclusion, I wanted to reflect on our value creation model shown on the next slide, which we have presented alongside with the Lead the Future strategy. Our 2025 achievements confirm that it is working well. It increased the key drivers of shareholder value creation, and their underlying dynamics inspire confidence about their good prospects for the future. That is all from me and I hand the floor back to Liudmila for the outlook & conclusions.

Liudmila Climoc, CEO:

Thank you, Jacek. So now, coming to our priorities for 2026, we have four main areas, and all four are rooted in our strategy Lead the Future, and it starts with profitable commercial growth. On consumer market, we aim to deliver a solid growth of core telco services, and we are going to achieve it through our balanced volume and value strategy in mobile, in fiber and in convergence. Secondly, we aim to achieve profitable growth in B2B. For small businesses, we will differentiate by complementing telco products with digital services, such as the KlikAI web creator that we have just launched in subscription model. For large businesses, we bring new operating model that will group all our IT&IS competences, under one roof in order to unlock more potential. So, commercial growth will be accompanied by high-intensity transformation to improve our profitability. As we discussed today, we have high ambitions in this area. Our commercial ambitions require a reliable and high quality connectivity, in order to answer to customer demand, and accordingly investments in innovative solutions and tools that bring value for customers and for our operations. This is reflecting the way how we will prioritize on our investments, of course, keeping an eye on return. Now, let's turn the page to see how this is translated into financial targets for 2026.

We aim to create significant value for shareholders this year. 47% in total shareholder return in 2025 is impressive, and we will make every effort to sustain this positive momentum. We plan to grow revenues at low single digit rate, noting that it is essential to maintain solid dynamic of core telco. We expect another year of solid EBITDAaL growth in range of 3-5%. It will be achieved through a combination of profitable commercial growth and cost transformation. Higher revenues and higher EBITDAaL will be achieved with a similar level of investments, like in 2025, meaning decreasing capex intensity. Obviously, rollout of 5G and completion of fiber project in white zones will be key for 2026. In line with the midterm objectives, we provide guidance for organic cash flow. It reflects our internal focus on this key return metrics. We are very happy to achieve 1 billion in organic cash flow in 2025, and we are aiming to generate at least 1.1 billion zloty in cash in 2026. A double digit percentage growth as an objective speaks for itself.

And looking at the midterm guidance on the next slide. As you have seen, 2025 results were good, and we also expect strong output in 2026. We are confident regarding our ability to reach this ambition. And as a consequence, we are more optimistic regarding greater value in future. And as such, we are upgrading our midterm guidance for EBITDAaL we are maintaining guidance of CAGR at low to mid-single digit. However, we clearly see that current trends make high end of this range more probable. Regarding eCapex, we are making our commitment more concrete. We will spend 1.8 billion per year. This means growing revenues and EBITDAaL with a stable level of investment, so improving our capex efficiency. The combination of solid, EBITDAaL growth and flat eCapex enables us to be more bullish regarding cash generation. We now expect to generate at least 1.4 billion of organic cash flow in 2028. This implies at least 40% growth versus 2025 level and the double digit CAGR. These guidance clearly illustrates better prospects for future, for value creation, for our shareholders. Dividend is also very important in this regard. So let's have a look on it. On the next slide.

As presented today, we delivered our objectives for 2025 and we are enjoying more optimistic future prospects. As a consequence, we recommend a cash dividend of 61 groszy per share from 2025 profits. This is a 15% increase versus last year. The level of 61 groszy per share now becomes a floor for remaining years of Lead the Future plan. A year ago, you remember we told you that we are working to create conditions to enable us to grow dividend and we are very glad to be able to deliver on that and we will continue with these efforts going forward. This concludes our presentation and in just a moment, we will be ready to take your questions. Please give us a moment.

Leszek Iwaszko, Head of IR:

Welcome back. For Q&A session, we are joined by four more board members. Jolanta Dudek, Deputy CEO in charge of the Consumer Market, Bożena Leśniewska, Deputy CEO in charge of the Business Market, Witold Dróżdż, Board Member in charge of Strategy and Corporate Affairs and Maciej Nowohoński, Board Member in charge of Wholesale Market. Let me read instructions. If you are dialed in via the phone and would like to ask a question, please press star two on your keyboard and wait for your name to be called. You may also ask a text question using the webcast window. So once again, to ask a question, press start two on the keypad. We have a first question coming from the line of Dominik Niszcz from Trigon. Dominik, your line is open.

Dominik Niszcz, Trigon:

Hi, thank you for the presentation. I have two questions, one on capex and the second on mobile B2B. So I would like to ask for a comment on capex in the context of rising prices of certain network components. You actually are not increasing your capex guidance in the long term, but lowering it from around 14% of revenues to 13. So should we understand that despite rising equipment prices, you believe there is no need for such high investment volumes as you previously assumed and what is the price growth component in 2026?

Jacek Kunicki, CFO:

Thank you Dominik. I would reiterate yes, our capex guidance is an all-in guidance, it's not excluding any price increases or price decreases because you have some elements increasing in prices indeed and the memory chip crisis. It is resulting in some prices that might be temporarily or permanently increased. It also includes the fact that while eCapex in 2025, 2024 was heavily supported by the sale of real estate, the proceeds from sale of real estate. This stream of both cash flows and capex support will inevitably be disappearing by the end of the plan and it does involve a lot of effort on our site to make sure that we invest today in platforms and in systems that allow us to be more efficient tomorrow. This goes for IT expenses and you will see by comparing the structure of our capex today to the structure of our assets or even to the structure of the capex six or seven years ago that's proportionately we're investing more and this is linked with IT transformation. It allows us to be more efficient on the side of the opex but it also gives us future capex benefits as we will have less labor intensive also capital works. So yes, you have both elements increasing our capex or pushing it upwards and the memory chip prices are a part of this. You will also have elements that will be relieving some of the pressure and giving us the potential to decrease capex. The fiber projects are near completion this year and you know starting from next year this means roughly 100 million zloty less of capex dedicated to these type of programs. We will have the capex peak for the 5G rollout for two or three years and then capex for 5G rollout will be going down. You know the capex structure is obviously changing in accordance with the needs but looking at the different projects that we have in the pipe, looking at the stage of advancement, looking at the fact that we have just finalized the renewal of the radio access network. We feel confident to be able to grow the EBITDAaL and revenues based on the same absolute level of capex.

Dominik Niszcz, Trigon:

Okay thank you and the second question: mobile B2C what is the share of B2B segment in your standalone mobile revenues and what is behind the current weakness in this market in your view so is it more related to the condition and number of small businesses in Poland or rather to competitive pressure from other operators.

Bożena Leśniewska, Deputy CEO in charge of the Business Market:

Thank you for the question I understand it's more for B2B. So from the perspective of last year mobile was growing slightly less than in the previous year as I will remind that in the previous year for a few years consequently we worked on the price hikes and the growth of both ARPO and the overall revenue was for a few years at the level between 4-6%. Now we noticed the slowdown on the market. We are in the market, this growth especially for the small companies is a little above the 1% for the overall 2025. The situation differs segment by segment in higher segments we have the severe price fight between operators about the big customers, big deals and here we treated very selectively always having in mind that we create the value and the margin for the company and some deals are not tackled by us or even we are not going below the certain threshold that still allow us to generate the margin. So all in all the difference between segments is very huge. We see the slowdown of the overall market according to the comparison of the results of all operators which we have till the end of Q3 because the Q4 is not released yet fully. We see it was around the slowdown to around 1% a little plus and we are accordingly in this market keeping our very high market share above 30% since plenty of years.

Dominik Niszcz, Trigon:

That's clear. Thank you very much.

Leszek Iwaszko, Head of IR:

Thank you Dominik. Next question will be coming from the line of Marcin Nowak from Ipopema. Marcin your line is open.

Marcin Nowak, Ipopema:

Good morning. Thank you for the presentations. I have two questions. The first question would be about your optimism because it has been mentioned a few times during the presentation that your outlook is quite optimistic going forward. So my question is if still your guidance is more on the cautious side or more optimistic side going forward. And the second question is regarding the recent fine from the antimonopoly office. Is it already fully covered in the second quarter in the item below EBITDAaL or maybe we should expect some more provisions related to that? Thank you.

Jacek Kunicki, CFO:

Thank you, Marcin. Very relevant questions. I guess what we try to do is when we give a guidance we try to give a range in which you would find the borders of our optimism or pessimism and likewise when we guide for EBITDAaL it's 3-5%. So if we are on a cautious side we will be closer to 3, if we are on the optimistic side we will be closer to 5%. I guess what and where we try to give you a little bit of flavor is we did not change the guidance for the midterm and this is EBITDAaL low-to-mid single digit growth but the optimism that we see right now and it's not groundless it's based on very solid trends in the B2C market. It's based on good positive business development in wholesale and it's based on an accelerating pace of transformation growth. That allowed us to first deliver the good result for 2025 deliver a guidance which is closer to mid than to low for the 2026 and we do see that current trends would be you know with some degree of optimism point us towards the mid rather than low single digit increase of EBITDAaL CAGR for the midterm. As for the cash flow we did not change our stance. The cash flow guidance was and is at least - it was at least: 1.2 now we expect to have at least 1.4 it means we will be working to try and make sure that we can deliver more cash if possible. On the fine, on the second question on the fine we will not comment on an ongoing proceeding so no comments regarding any items below EBITDAaL no comments on the provision sites everything relating to risks claims and litigations is appropriately described in the notes to that balance sheet which you will find as publishing roughly mid-March. Thank you.

Leszek Iwaszko, Head of IR:

Next question will be coming from the line of Ali Naqvi from HSBC. Ali your line is open please go ahead with your questions.

Ali Naqvi, HSBC:

Hi thank you for taking my question. You mentioned that you will be seeing some reduction in capital intensity after your 2028-2029 period. Could you give any kind of modification as of what that could go down to and then your leverage is lower versus peers and then at the low end of the development market telcos. I appreciate you may be restricted in doing buybacks but to keep the balance sheet more efficient have you considered doing special cash returns especially considering you're quite confident of the organic free cash flow you're going to generate to 2028, thank you.

Jacek Kunicki, CFO:

Okay so on the capital intensity first we will be progressing with capital intensity reduction even before we are going to you know pass the peak of the 5G rollout if you imagine as keeping capex at 1.8 billion zloty and growing the EBITDAaL by let's be optimistic mid-single digits CAGR then it is clearly decreasing capex intensity. Capex intensity means that capex as a percentage of revenues will be trending towards 13% by the end of the plan and so that is step one and then well I think we will not guide for the capex in the period after the strategy but clearly the 5G rollout represents the few hundred million that we are spending each year and this is something that will first decrease towards the end of the plan and at some point in time when we will have the 5G rollout completed of course we will have other business priorities back then but definitely completing a rollout of 5G that is today consuming few hundred million yearly it does present us with an opportunity to decide do we increase investments in other areas that could be value accretive productive or do we further decrease the capex going forward knowing that already by that time we will be trending towards 13% of revenues so it's two phases okay one is relative to revenues to decrease capex by 2028 and then after we will have the 5G completed we will have a decision to make - do we see other sources of good projects to invest this capital or do we further reduce capital intensity. On the shareholder remuneration today we are happy with a very strong balance sheet I think it does give us ample balance sheet flexibility going forward as far as shareholder remuneration concerns we haven't considered buybacks because of the limitations that you are aware of and for the dividends we have the policy that today's recommendation once voted by shareholders on the AGM will become the floor for the dividend going forward within the period of the strategy and obviously I will repeat the same message that I said one year ago we will be working to create conditions that will enable us to be in a possibility to further increase shareholder remuneration in form of a dividend going forward.

Ali Naqvi, HSBC:

Great, thank you.

Leszek Iwaszko, Head of IR:

Thank you we do not have any more voice questions so maybe I will read this instructions so please press start to on the keypad if you would like to ask a question, but there is one more question that came to us online in the meantime we have more voice questions but we take those later but the question that came to us via text is: in the commentary to the Q4 results the CEO pointed out that we are poised to generate substantial profits in the coming years from fiber backhaul business concluded in the second half of 25 could you please say a few words about this agreement?

Maciej Nowohoński, Board Member in charge of Wholesale Market:

So good morning everyone thank you very much for the question and excuse me for my voice which definitely has seen better days but this is in contrast to what we actually achieved on the wholesale line of business. The performance there is really satisfactory to us and I will not get down into the details of the commercial terms and conditions of the contracts that we are signing but to give you color on what is happening on the wholesale market I think first of all you are looking at the different markets in Europe and all across the globe and you can compare or differentiate conditions on these markets. In Poland particularly what strikes you probably is still the fragmentation of the market and on this fragmented market Orange Polska stands out in terms of the infrastructure and we are actually enjoying basically the success which is purely generated from that that we are strong in infrastructure the market on which operators buy from other operators is large and is growing. The wholesale fiber which normally I would say is connected with the wholesale activity is only a part of this market and there is plenty of operators which are actually interested to buy infrastructure and capacity for the transport network and we basically respond to that constructing within the last five years strong activity and competence on that market we are truly a partner to other operators on wholesale activity and the result of that is visible in the contracts that we are winning on that front. So we will enjoy that particular contract for the coming years obviously that there's plenty of things to execute but we are confident that we are able to do that with success thank you.

Leszek Iwaszko, Head of IR:

Thank you, next voice question is coming from, from the line of Nora Nagy from Erste Group. Nora your line is open.

Nora Nagy, Erste:

Thank you, thank you for the presentation and congratulations on the solid results. Two questions from my side: firstly on a tariff indexation if you plan to implement it in 2026 and then if so on which services?

Jolanta Dudek, Deputy CEO in charge of the Consumer Market:

Hello everyone, thank you for this question. In B2C this year we have implemented two price hikes for tariffs: first in January for mobile and in February for fixed broadband in the meantime we informed our customers about CPI clauses price hike for customers with indefinite contracts so simple answer this year we continue what has been done last year and we have just implemented those two price hikes.

Jacek Kunicki, CFO:

I think on, just to compliment I think on the price hikes that you Jola mentioned where for the customer acts so for the acquisitions and retentions mobile and broadband and the indexation obviously applies to the customer base that was eligible because they had the clauses in their contracts and they were out of loyalty.

Nora Nagy, Erste:

Yes, thank you. And secondly how do you see the mobile phone services of Revolut in Poland and shall we expect the company to focus more on the low cost segment following Revolut market entry? Thank you.

Jolanta Dudek, Deputy CEO in charge of the Consumer Market:

So as far as Revolut offer concerns, we expect that this offer will be dedicated mainly for the niche segments and why? First of all we do not see the impact on mobile number portability to Revolut. The second: this is the offer only limited to eSIM. Third point: this offer has a roaming packages on top and it's limited only to mobile while home market is focused the packages. So for time being we do not see the important impact on our base and on our market.

Nora Nagy, Erste:

Thank you.

Leszek Iwaszko, Head of IR:

Thanks Nora. Another voice question is coming from line of Dawid Górzyński from PKO BP. David your line is open.

Dawid Górzyński, PKO BP:

Hi, thank you for taking my question, actually I have three questions so maybe I will address them one by one. The first one is on your assumptions behind over 1.1 billion organic cash flow for this year - I wonder like what do you assume for the value of assets sold and regarding cash capex what maybe other differences between eCapex and cash capex this year like if cash capex may be like higher than eCapex because of some reasons?

Jacek Kunicki, CFO:

So for this thank you for your question. The 1.1 billion zloty organic cash flow - the base is what we achieved this year. The main growth driver is the growing EBITDAaL because we do expect to have 3-5% EBITDAaL growth and we do expect for this EBITDAaL growth to convert to cash. We did not make bold, unorthodox assumptions on working capital and we have assumed eCapex to be flat at around 1.8 billion and eCapex includes both: the eCapex spending and also the inflows from sale of real estate as. I mentioned last year real estate sales were a bit below our expectations due to a challenging market and due to some key transactions being delayed even from late December. So on the one hand the delay of the transactions gives us some boosts and potential to do more this year from real estate sales than we did last year but then on the other hand it's not a recurrent business we really need to be prudent on our assumptions for real estate sales and for how much we are able to sell because this is a transaction by transaction and a buyer by buyer market. So I will go back- it's the EBITDAaL that is driving the better prospects for cash flow not some wild assumptions on neither working cap nor on the real estate sales we will obviously do our best maximize real estate sales minimize working cap but the underlying driver is the EBITDAaL growth.

Dawid Górzyński, PKO BP:

Thank you. A second question on the cybersecurity bill that is awaiting the signature from the president in Poland. Do you assume an impact of that bill on like potential requirement on replacing high risk infrastructure and perfectly if you can quantify that impact in the for next years.

Witold Drożdż, Board Member in charge of Strategy and Corporate Affairs:

Good afternoon obviously we monitor closely this legislation. The deadline for signing is tomorrow so we will see if it is signed or not. However as it introduces some regulations that or will not introduce but anyway it refers to some fields of regulation that that we are aware of and it is also fully in line with the policy that we pursue for years then we do not expect any substantial impact from the perspective of our business and results. Thank you.

Dawid Górzyński, PKO BP:

Okay, Thank you. Last question on Nexera deal and the chance or the requirement is do you think that the debt in Nexera will need to be repaid or it may be stood in the company?

Jacek Kunicki, CFO:

Thank you very much. So here for Nexera we are after having signed the NDA. We have not yet had the closing of this transaction. So obviously this means that the process is really preliminary. Our intent is to keep the debt on the balance sheet of Nexera. We think that this asset will be performing much better then this transaction gives much better prospects for Nexera going forward. Orange Polska and APG are highly reputable buyers we have substantial synergies of this transaction with Swiatlowod Inwestycje. We clearly have an intent to bring Nexera under the umbrella of Swiatlowod Inwestycje. So this also means that these better prospects mean better financial prospects for the company and we will be discussing this with the financing banks. The intent clearly is to keep the debt and as much as we can of the debt on the balance sheet of Nexera. We are not in a position today to share with you exactly where we are in this process also because of an early stage. We are just after signing the NDA we will be keeping you updated on what we have finally achieved but definitely the intent, the goal is to keep the debt on the balance sheet of Nexera.

Dawid Górzyński, PKO BP:

Okay, thanks so much. That's all from my side.

Leszek Iwaszko, Head of IR:

Thank you very much, we have one more text question I will read it. It comes from Piotr Raciborski from Wood&Co. What impact of changes in working capital on organic cash flow do you expect in 2026? I guess you're unless you want to add Jacek, but I think it was answered just moment ago.

Jacek Kunicki, CFO:

Yeah, I mean we will see how the business evolves. We will see how the inventory levels, the receivables will evolve over time. We will need to monitor this as we go forward. I would prefer not to disclose extremely specific assumptions but the growth of the organic cash flow is not built on an assumption explicit assumption of a significant improvement or a significant decrease well increase of working cap. It is based on the growth of EBITDAaL and the growth of EBITDAaL is coming from predominantly from core telecom services so that does not imply huge requirements for working cap. And it's coming from cost transformation and again this is not something it's not sale of handsets and installments it's not something that is requiring us to freeze up large amounts of working cap as result of this. So this is what makes us confident going forward is that the progression of cash flows is based on solid, sustainable, repetitive growth patterns coming from the core business and this is what makes this growth very healthy and this is why we think we can sustain it. Not only for 2026 but we can sustain the good progress all the way up to in 2028. Hence, the improving prospect for the midterm guidance.

Leszek Iwaszko, Head of IR:

Thank you, we have no more questions so thank you very much for listening, watching us, asking questions in case you wanted to meet us please give us a note on that, otherwise we will come back in April with Q1 results. Thank you very much.

Jacek Kunicki, CFO:

Thank you very much.

Liudmila Climoc, CEO:

Thank you.