Orange Polska

CONFERENCE CALL ON ORANGE POLSKA RESULTS FOR THE 3Q'26

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 present our results in the third quarter of 2026. My name is Leszek Iwaszko, and I'm in charge of investor relations. The format of the call will be 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. Let me now pass the floor to Liudmila to start.

Liudmila Climoc, CEO:

Thank you, Leszek. Good morning, and welcome to our conference summarizing on our achievements for third quarter of this year. And I would like to start with slide four.

I am being very pleased to say that the third quarter was very successful for Orange Polska. Our results illustrate a perfect combination of excellent commercial growth and the increased efficiency. Performance of all our business lines was strong. In core telco services, we are consistently growing customer bases and ARPOR. In B2B, growth of IT&IS revenues was robust, as we have captured numerous opportunities on the market. And finally, in wholesale, we delivered another very solid quarter, boosting momentum of monetization of our infrastructure. These commercial achievements were combined with progress in our transformation program as we strive toward higher efficiency, and it is visible through indirect costs, which were lower, if we look year on year. A perfect mix of these two components resulted in a truly remarkable financial results, with revenues growing at 8% and EBITDAaL at almost 16%. In a single quarter, our EBITDAaL has increased by 140 million zloty. This is even slightly more than in the entire year 2025. Clearly, we are well-positioned to deliver a very strong 2026. Also, a few weeks ago, we finalized the acquisition of Nexera, one of the major FiberCo's in Poland, and this underlines our commitment to invest in fiber infrastructure and to strengthen our FiberCo joint venture. Let's review now these achievements, starting from commercial activity on next slide.

So, our commercial strategy delivered strong results in both volume and value and across all key services. I will start with mobile. Net customer additions exceeded 80,000, which is very consistent with previous quarters in 2026. For the consumer market, this was the best quarter in more than five years, thanks to excellent contribution from all brands and all offers. This, again, demonstrates the strength of our offering and our execution along the entire customer journey. Mobile ARPO growth improved to 2.6% as we monetise our value strategy. We now have reached a very well-balanced volume-value growth in mobile, which was not that evident in the preceding previous quarters. In fiber, net adds stand out. They reached 48,000 this quarter, the highest in almost three years. It is an outcome of consistent marketing efforts and also our ability to adjust to high competition through local approach, through geo-targeting activities, and effectively responding to the needs for higher speeds for internet and for content, both linear content and OTT. And important element of this success is also our footprint expansion into HFC,

hybrid fiber coax infrastructure of a third-party player, which we started in second quarter, and it was further increased in the third quarter. And over time, this footprint will be upgraded to FTTH standard. Strong mobile and fiber was accompanied by further growth in convergence with the pace of growth in line with our Lead the Future approach. We are now focusing more on reaching new households where we don't have yet customers using our services, if we're speaking about fiber or mobile, and further cross-selling to this household convergence services. In both fixed broadband, if we speak fixed broadband only, and in convergence, ARPO growth accelerated. It is now above 5%, and we are persistent in applying our value strategy. These trends are key for today's value creation, and also they give us confidence for the future.

Moving forward and talking about our fiber infrastructure, I would start with Światłowód Inwestycje, who just finished its 5th year of operations, and we are very satisfied with its performance. If we benchmark versus other European FiberCo players, its development is exemplary on the European scale. The footprint rollout is on track, and Światłowód Inwestycje is very efficiently converting the homes passed into active services. There are already close to 900,000 active customers on its network, which implies 34% of take-up. This translates into the dynamic growth of financial results. After nine months of this year, EBITDA of Światłowód Inwestycje exceeded 150 million złoty, growing 40% year on year. Acquisition of Nexera will open a new chapter in our operations. Both networks of Nexera and of Światłowód Inwestycje are highly complementary, fully built in FTTH technology, and located in attractive regions with very limited overlap between different infrastructure players. And now we are very much focused on integration, aligning the processes between companies, transferring best practices to be able to monetize this infrastructure effectively via more efficient use of resources. This will enable Nexera to grow faster than it was demonstrating in the past. So, we are very happy with Nexera acquisition. It was a model process in M&A. We received approval of the transaction from European Commission, and we managed to keep their entire debt of Nexera on its balance sheet. We are also very happy with our cooperation with our partner, APG, our partner in this venture. And together, we are committed to invest into digital infrastructure to the benefit of Polish digital economy. At this moment, thank you, and I am passing the floor to Jacek to give insights on our financials.

Jacek Kunicki, CFO:

Thank you, Liudmila. Good morning, everyone. Let's start the financial review on slide eight with the highlights of our performance. I am very pleased with the financial results of Q3. We have achieved outstanding growth of revenues, profits, and cash generation. Revenues were up 8% year over year, as all business engines delivered very strong performance. Excellent revenue growth, especially from the core telco business, was coupled with strong cost savings. This combination drove the EBITDAaL to an impressive 16% growth in the third quarter. This translated into a 44% growth of the net income in Q3 standalone, or plus 30% on the year-to-date basis, as our value creation model combined top-line growth with strong operating leverage. Our year-to-date CapEx was broadly stable year on year and in line with our full-year plans. This further translated the growing profits into the higher cash flow, and the year-to-date organic cash flow is up by 30% year on year. My takeaway from the year-to-date achievements is that our value creation model is working very well, and we're creating a lot of value for shareholders. Let's now review the sources of these achievements, starting from revenues.

Q3 revenues grew by almost 8% year on year. This reflected a very consistent performance of core telecom services and a strong growth in more project-driven areas, such as IT&IS and wholesale. First, revenues from core telecom services. They increased by 5.5% year on year. This dynamic has accelerated in comparison to the previous quarters, as we are consistently growing our customer bases and improving the ARPU dynamics. Core telecom services stood behind almost two-thirds of the direct margin growth that you will see on the next slide. Then, IT&IS revenue rose by 24% year on year, marking another super strong quarter for this area of business. It reflected numerous big wins, especially for IT infrastructure in both commercial and public sectors. This demonstrates that we are able to grab market opportunities due to our large portfolio of competences. 2026 looks to be a tremendous year for IT&IS. Finally, wholesale revenues grew by 13% year on year, driven both by the fiber access sold in an open model and also by high revenue from the fiber backhaul contract signed last year. To sum up, first, we achieved very strong revenue dynamic from all business engines, with consistent development of the core telco complemented by the big contracts. This is the driving wheel of our business model, so we are very pleased with both the speed and the sources of revenue growth. For Q4, we expect even stronger growth of core telco service revenues, while we note that the comparable base for wholesale will be more challenging than in Q3 due to the fact that we had an accumulation of big contracts in the last quarter of 2025. Let's now look at how we turned higher revenues into profitability on slide 10.

Our Q3 EBITDAaL exceeded one billion zloty for the first time ever on a quarterly basis, increasing by as much as 15.6% year over year. This outstanding dynamic was enabled by perfect execution, both in commercial growth and in cost transformation. Direct margin increased by over 100 million zloty, or 6% - an outstanding dynamic that followed strong revenue dynamics across all business lines. It reflected growth of the high-margin areas, such as core telco services and wholesale, coupled with exceptional increase of IT&IS revenues. This was coupled with very good dynamic of indirect costs, which were 35 million zloty down year on year in Q3. We gained a lot from the cost transformation program and achieved efficiency gains in network operations, workforce, property costs, and G&As. We also benefited from higher sale of copper, as we stepped up copper decommissioning of the copper network this year, and from about 20 million higher margin from the fiber network rollout, as we are becoming ever-more efficient in this continued program to roll out the FTTH. This excellent Q3 enabled us to reach over 9% EBITDAaL growth over the nine months. We are obviously very happy about this achievement. It is in line with our full-year guidance. Following Q2 results, we guided for above 6% EBITDAaL growth, and we said that perfect execution could lead us to achieve 1 or 2% higher growth, meaning even 7 or 8% on an annual basis. And perfect execution in Q3 has evidently put us on track to reach this kind of excess. Now, let's look at the cash generation on the next page.

We generated close to 900 million of organic cash flow in the nine months of the year. It was 200 million, or 30% more than in the comparable period of last year. This was a very strong result, driven by the outstanding EBITDAaL growth. And coupled with higher cash from real estate disposal. It was partly offset by higher working capital, as we sold more handsets in installments, and we increased inventory levels ahead of the Q4 peak commercial season. The main takeaway today from cash analysis is that commercial growth coupled with high operating leverage drove the 30% growth of cash flows, and we are perfectly positioned to achieve cash generation well above 1.2 billion zloty. That is all from me, and I hand the floor back to Liudmila.

Liudmila Climoc, CEO:

Thank you, Jacek. Moving to conclusions on slide 13, the results we achieved over nine months of this year are truly rewarding for us and reflecting our commitment to Lead the Future strategy execution. In consumer segment, we reached new heights, executing very balanced volume-value strategy, even more successfully than before. In business, we reversed negative trends and came back to profitable growth, both in telco services and in IT&IS. It was accompanied by great performance in wholesale, which supplements our achievements in retail. And this excellent commercial growth is supported by cost discipline and the IRR return-driven investments. And this is exactly what we aim to achieve in our value creation model in Lead the Future strategy. This year clearly illustrates how well this model works and how much value for shareholders it can create. Please note that in a single quarter, we have generated the growth higher than in many full years before. So, in the same time, we remain intensively focused on performance in Q4. We expect it to be very active, as it is the most demanding commercial period in the year. In the context of 2026, and we are confident that fourth quarter will be a strong quarter for us, and even more in the context of 2027, next year, as our landing for 2026 will be a starting point for value generations for periods in front of us. So, that's all on our side, and now we are opening the floor to your questions.

Leszek Iwaszko, Head of IR:

Yes, let me read the instructions. If you are dialed in via the phone and would like to ask a question, please press star two on your keypad and wait for your name to be called. You may also ask a text question using the webcast window. So again, to ask a question, star two on the keypad or question button on the platform. We have the first question coming from the line of Dominik Niszcz from Trigon. Dominik, your line is open. Go ahead with your questions.

Dominik Niszcz, Trigon:

Yes, thank you. Hello, and thank you for the presentation. I would like to ask about ICT, where you show another quarter of very high growth in revenues. The question is, what margin are you targeting in IT&IS over the next two to three years? Do you expect much improvement from the revenue mix shifting towards higher margin services? What's your outlook on this part of the business, which is high in scale, but I guess not yet high in margins? Thank you.

Liudmila Climoc, CEO:

Yes, you well noticed that we have a very strong performance in IT&IS, in both in Q2 and Q3. And we are happy about it because it is not only revenue growth, but it is combined with nice uplift of the margin, which was our strategic priority this year. It was coming from multiple sources, like different projects which we were able to win, like contracts for digital transformation, infrastructure upgrades for public and for private sector. We also benefited from, we can say we benefited from the memory chip crisis, as customers were hurrying to buy their infrastructure in anticipation of even higher increases on the prices. So, there is a big portion of our revenues also linked with this IT equipment, which is, by definition, not very high on margins. But also, we had

uplift in our soft business, so all subsidiaries, Craftware, Blue Soft, was showing quite a nice growth. So, this being said, if you look on margin, it's quite a balanced growth coming from integration and cybersecurity services, which are given higher margins with infrastructure projects, which I have mentioned, which are by definition quite low margin. Also, if we think about licenses, we had another continuation of sales of Microsoft licenses, which are very lowest margin, but helped by some other projects like Polish Railway Information System, which we have managed to implement. So, all in all, profitability of this business line is not changing. And we are remaining in the same level of between 10 and 12%, which is quite healthy balanced margin for this type of business line. And we are targeting to continue in the same, I would say, same level.

Dominik Niszcz, Trigon:

Okay, clear. Thank you. And one more from me about the cost side. You showed the reduction of indirect costs by 4%. What's the outlook for the next year? Do you still expect further improvement on this side? And maybe in particular, you mentioned earlier this new energy contracts. So, is there a big reduction of cost also on this side? Thank you.

Jacek Kunicki, CFO:

Thank you very much. I think when it comes to indirect costs, what we are targeting, as part of our business model, is to at least keep indirect costs flat year over year, and then to make sure that whatever we generate in terms of revenues, and it's reflected in the direct margin, that it gets translated into the EBITDAaL. And then by keeping CapEx flat also, it gets translated to organic cash flow. And this remains the objective for us going forward. If you will see this year, you have seen some quarters where the costs were increasing slightly. This quarter was really good for us, and costs were decreasing slightly. I think this is, we are fighting to make sure that we are on the decreasing side, not an increasing side. But taking into account some of the pay pressure, the CPI, inflationary pressures on some of the costs, and also increasing, I would say, also increasing the cost of growing networks, both on the fixed and the mobile side, I would say the ambition is to keep it at least flat.

Dominik Niszcz, Trigon:

Okay. And this contract for PPA energy, did it have impact already this year or still something for next year?

Jacek Kunicki, CFO:

It did start to have the impact this year. It obviously helps. It is part of the cost transformation that we have, which is basically going through all the processes, through all the functions. We have few hundred of initiatives that we are monitoring on a very recurrent basis. This energy contract is one thing, but also we are working intensively on reducing the energy consumption. We were working, and we had very big success with optimization of the cost of field maintenance.

Obviously, we are decreasing our headcount, but also we are increasing the level of remote and digital sales, so making the cost to sell and the cost to serve a little cheaper each time. And this is where the energy contract is one of the initiatives that is aimed exactly at this. So, it is keeping the costs flat or even slightly going down on a consistent basis.

Dominik Niszcz, Trigon:

Thank you very much.

Jacek Kunicki, CFO:

Thank you.

Leszek Iwaszko, Head of IR:

Thank you. The next question comes from Ali Naqvi from HSBC. Ali, your line is open.

Ali Naqvi, HSBC:

Hi. Thank you so much, and congrats on the great quarter. Can I just ask, given how strong the quarter was and expectations for EBITDAaL and revenues for Q4, is there any reasons you don't expect an even stronger performance, or you wouldn't give a slightly more explicit increase in the guidance for the full year and the Q4 outturn after Q3 strong result? And then, secondly, just on Nexera, can you just talk about the short and longer-term impacts on where you think - you could get more revenue synergies. I appreciate it's not really sort of added any more detail in terms of where the additional benefits could come from. And then, finally, on equipment sales, can you just talk about whether equipment sales for this quarter or for the end of this year, is that being a positive customer acquisition tool, or is it sort of any change in dynamics versus previous years?

Jacek Kunicki, CFO:

Okay. Thank you very much for your questions. I think on the EBITDAaL and the guidance, basically, the way we view this is that, already back in July when we disclosed the Q2 numbers and we guided for more than 6% of year-on-year growth, we said that perfect execution could take us even 1 or 2% higher above this level, meaning 7 or 8% year on year on a full-year basis. We have evidently achieved this perfect execution in Q3, and this puts us on the right track to reach this excess growth, well above 6%. I would say simultaneously, as we are able to generate a high EBITDAaL to cash flow conversion rate, this will also result in high cash flows and good value creation for shareholders. So we view this as exactly within the guidance and the comments that we had issued back in July. Regarding Q4 alone, but having in mind that small figures change the dynamics on a given quarter, we expect a very solid EBITDAaL increase in Q4 as well, possibly even reaching mid-single digits for Q4 stand-alone. This reflects an expected

consistent strong margin increase from core telco services, but also a much higher comparable base in wholesale. So, an area where the performance was really exceptional in Q4 of last year, as we had an overlap of still having the national roaming agreement with Play and already benefiting from the new fiber contract. So yeah, we do expect good Q4, even reaching mid-single digits. We do think that we are on a good track to reach this 2% excess above the 6% floor. So the way that we view this is we are really where we wanted to be, where we had the ambition to be back in July.

Then, on Nexera case. So, what you need to know about Nexera is that this is a JV that will be consolidated by Światłowód Inwestycje, and basically, we will continue to consolidate Światłowód Inwestycje. It will simply include also the impact of Nexera. The way that you see us consolidating, since this is a JV accounting, we do not consolidate the revenues, the costs, and the EBITDA, but we consolidate our share of the net income of Światłowód Inwestycje. So starting already from Q4, it will include also the net result of Nexera. And at short term, I think this will be the one impact that you will see. Obviously, we will reflect the increased asset on the balance sheet, but this is the short-term impact that you will see, it's including of the 50% of the net result of Nexera in the numbers that we consolidate. On the mid-term, I guess we will have some services that we will render to Nexera with an arm's length margin, just like we do for Światłowód Inwestycje. This is not really a game changer for the operating profits of Orange Polska. The main reasons for acquisition of Nexera were long-term and strategic. We do believe that over the longer term, Światłowód Inwestycje and Nexera have a lot of synergies that we can extract, both on the cost side, well, mostly on the cost side. So it's got to do with the cost at which we maintain and manage the combined operations. If we take a look at a very long term, like a 30-year term or even longer, then the value of synergies were really considerable. I think we mentioned up to 30% of the EV. But it is the type of acquisition that you do not make in order to have immediate gains here and now. It is rather the long term that will show Światłowód Inwestycje being strengthened with a lot more network, with a lot bigger network, with a lot more wholesale customers, while the cost of operations essentially will include a lot of synergies. And then on equipment.

Liudmila Climoc, CEO:

Yeah. On equipment performance, particularly for third quarter, we have sold slightly less handsets as volume versus year ago, but at much better unitary price, which is helping us also in supporting our postpaid business. Obviously, this is one of the main engine for us to attract our customers to our postpaid offers. And particularly, we see it in the sales of top brands for hot smartphones, and also thanks to much better availability. If we look on the benchmark which we see on the market, it's the GfK report which was published for the first eight months, which we have access to this data. We can notice that we are performing much better than market, both on volume and on value, while market was challenged, and we see overall in volume decreasing 13%. Also, due to their challenge of increased price tax, following memory chipset crisis, and then value decreasing just 3%. So, I would say roughly flat. While for Orange Polska, we are growing both in volume and in value at a level of 12, 10%. So, it's organically improved performance, which you can see in quarter over quarter in our handsets performance, and we expect this to continue.

Ali Naqvi, HSBC:

Great. Thank you very much for your conferences.

Leszek Iwaszko, Head of IR:

Thank you. The next question will be coming from the line of Dawid Górzyński from PKO BP. Dawid, your line is now open.

Dawid Górzyński, PKO BP:

Hi. Thank you for taking my questions. I have three. The first one on - So maybe it will be easier to make it one by one. The first one on ICT segment and how I see this third quarter, like strong third quarter, is that it was mix of good trends in demand for digitalization. Secondly, some large contracts, potentially one-off impact, and also this impact that the clients were hurrying up to buy some services in wake of memory crisis, so on. So, given that, I wonder how confident you are about the growth in coming quarters, and which parts of these factors may still support dynamics?

Liudmila Climoc, CEO:

IT&IS business line, I would say, is by definition built by one-offs, because it's IT business which is composed by projects. And basically, the way how we are delivering it is to work permanently on ongoing pipe of projects, which are then realized, implementing this, and we are trying to maximizing our chances to win it. So, results which you see now is working on this pipe, and some of them started even year ago. This year, we managed to deliver them even with some anticipation, so we saw some projects landed in anticipation in Q2, versus we were looking for them to close in the second part of the year. So, looking for Q4, the pipe is looking strong. Even despite the fact that we have very high denominator of very good result of Q4 of 2025, but still pipe is very strong. Maybe level of 24, 25%, we will not be able to repeat it, but still we expect that performance will be strong. And then going forward, we set this area as our strategic priority in our plan, because we believe that we can increasingly capture bigger share in the market, in the IT&IS market, and we are demonstrating it. Growing our competencies, growing our legitimacy as a much stronger IT&IS player, which has given us confidence for future as well. But if you ask me whether it is very predictable, I can tell you: no. It's everyday fight, and winning new customers and working on the pipe. But just to give you an illustration, based on recent reports which were published, market analysis in Poland, as a group of companies, we are now number three IT company in Poland, working on Polish market, noticing that we are working only for Polish customers. And if you will have a look on number one or number two, a big portion of revenues of these customers are also directed to customers abroad, not in Poland. So, we have strong track of records, but it will be a challenging path. We cannot say that we will be granted projects just automatically. We are fighting for that.

Jacek Kunicki, CFO:

Yeah, I guess it's fair to say, today it's all about big projects.

Liudmila Climoc, CEO:

Yeah.

Jacek Kunicki, CFO:

So, it can be volatile from one quarter to another, but it's all about big projects. What it gives us is, quite often, it gives us a door opener to the customer, and it's also one way of differentiating ourselves from our typical telecom competitors. So, we come with a wider service offering, and then we are able to upsell telco on top of that. So, this is where-

Liudmila Climoc, CEO:

And vice versa.

Jacek Kunicki, CFO:

Exactly. This is where this is as important as the margin that we get on ICT. And I think that it's fair to say the trick for the future is to - and this is our aim, what we would really like to do and what we are beginning to do - is to stretch ICT services to the lower segments of B2B, so to industrialize them, to make them more product-like instead of project-like, and to include them in the... Or to sell them on a subscription basis. You can have some examples of that as a dynamic SOC. So, this is a cybersecurity management for your kind of middle-sized enterprise. We have recently launched some AI Assistant for the SOHO, (small office, home office), your small enterprise. Also sold on a subscription basis. And again, these are the two goals of such initiatives, and there will be more. But the two goals of such initiatives is, first, let's make sure that we do make a decent profit on the products that we have developed as products. And second of all, but this is equally important, let's differentiate from the pure telco comparison to our telecom rivals. I think this is really where ICT serves double purpose and is of a strategic importance.

Dawid Górzyński, PKO BP:

Thanks so much. Very comprehensive answer. And second question on Nexera, you said that there will be some additional services that you will provide to Nexera in the future. I guess it will go via other operating income, and I wonder if that would be factor that will be visible in this line, or rather in materials?

Jacek Kunicki, CFO:

I don't think this will be very material, to be honest, on a margin perspective. You have obviously some maintenance that we are able... And this is also part of extracting the synergies. We are able to do some maintenance and field maintenance more effectively that is done right now. You have some back office functions that we serve to Światłowód Inwestycje, and we can extend it to Nexera. But this is not the kind of impact that you see in the other operating income. So, this is not rolling out fiber. I think when it comes to rolling out fiber, we have pretty much finished rollout one, and it's with a big success. We are right now executing rollout number two with Światłowód Inwestycje, and I do believe this will be another success, well, not only for us, but also for Światłowód Inwestycje to have good footprint to be able to sell this footprint to its wholesale customers. And we are one of them, so we do plan to benefit retail-wise. And then there is rollout three on the horizon. So, as you can see, this rollout, it's not a one-off. It's really a business that has been with us since 2021. So, already we have a nice track record. We are treating it as a process, and we are addressing the efficiencies of our processes, as with any other process in the company. Obviously, we are aware that at some point in time, there will be less place for further rollout, and Światłowód Inwestycje will reach its target state. It is not today, and it is not in the short term. We do expect that we will continue to roll out for Światłowód Inwestycje going forward. So, this has much bigger impact on other operating income than any services that we will sell to Nexera. Yes, this can be few million per quarter, but this is the type of magnitude I do believe.

Dawid Górzyński, PKO BP:

Okay. Maybe a quick follow-up here. Do you have in mind what will be the rollout scale this year, like in the number of households in Światłowód Inwestycje this year, and what's the plan for next year?

Jacek Kunicki, CFO:

So, when I look at 2025 and 2026, this is pretty much comparable number of homes passed that we delivered. It's close to 300,000 in each of the years. And I do believe that we will be close to that number in 2027 when it comes to the number of households passed. Then for the future, we need to see how this evolves. But yeah, next year should be on a broadly comparable level to the number of households that we have been de facto producing in both '25 and '26.

Dawid Górzyński, PKO BP:

Okay. Great. Thanks so much. And the last question on next year. You said something about next year, that growth prospects are still good, and you are optimistic. I think it mostly refers to revenue, EBITDAaL growth, but I wonder how about organic cash flow? Do you see some drags for organic cash flow next year, or it should be also a decent growth?

Jacek Kunicki, CFO:

Well, I think, first, let us do our homework and issue a proper guidance in February for all the major KPIs. That's what we traditionally do, and I think this is what we need to do. What we can comment when looking at the current dynamics, and it's hard not to be optimistic having a Q3 like we are just reporting. So, I think first of all, we need to note that taking into account the year-to-date results and the Q4, I would say, range or outlook that I mentioned, we could deliver very solid growth of EBITDAaL this year. And so, this could be a record growth for us on an annual basis, and easily place us amongst the fastest-growing telcos in Europe. It clearly demonstrates that this is a very successful implementation of the Lead the Future strategy, and our strong ability to simultaneously execute commercial growth and cost efficiency transformation. I think this is really the key. Then, obviously, we need to get back to the midterm guidance. It assumes low to mid-single-digit percentage growth for us, with a clear ambition for us to try and reach the mid-single digit. I would anticipate that 2026 obviously raises the bar high, but it also stems from an improved level of performance. So, it should be fair to assume that we should still be aiming at such guided pace of growth going forward. And this not only has the impact on the EBITDA, but also on organic cash generation. Here again, we need to come back properly. I guess from the obvious drags, there is a spectrum renewal next year that is around 400 million. It doesn't get included into our organic cash flow definition per se, but if you're scratching your head about the free cash flow, you need to remember about this 400 million when adjusting whatever trends that you are extrapolating for next year.

Dawid Górzyński, PKO BP:

Okay, thank you. So, I'm passing voice to other participants. Thanks so much.

Leszek Iwaszko, Head of IR:

Thank you very much. Thank you. We have no more voice questions. Paweł Puchalski from Erste sent us a couple of text questions, so let me read them one by one. He's asking about the prospects for the line of other operating income in the year 2027. Should we be expecting decreases, or next year could still be, let's say, flat or stable?

Jacek Kunicki, CFO:

Okay. Thank you very much for your question, Paweł. So, when it comes to other operating income and this particular line, you're asking about a line that is probably the most volatile line by nature. It does include some of items that we already mentioned, so fiber rollout, where I commented that there's a lot of households to be delivered next year. So, we should have a positive contribution from this to be continued. It is a line that includes sale of copper, and here we have been successful this year in the level of copper that we extract. But this is linked with our well-thought-through strategy to progressively decommission the copper network, and we know we need to do that. We have this within the strategic plan objective to progressively do that. I do believe we will continue to do that next year, so that should continue to support other operating income. Then some other lines like risk provisions or forex, they are so volatile by nature that I will not be commenting on these. But from the two more recurrent flows that, Paweł, you're asking about, I would expect that we continue to get positive benefit from them.

Leszek Iwaszko, Head of IR:

The second question is about ARPOs. Does the management see the midterm growth of ARPOs could be maintained on the level which we have seen in the Q3 2026?

Liudmila Climoc, CEO:

If you look on the performance of ARPO, basically, you see the output of many value growth initiatives which we are consistently implementing. So it is including face price increase for new offers. It's also inflation clauses, CPI clauses, also automatic price adjustments after the loyalty period. Also, it is managed by our CVM process, customer value management process, making sure that we are implementing it, and in the same time, we are taking care about churn and keeping it in well balance. So, this being said, we foresee that this policy will contribute for future as well. So, also considering that in convergence and fixed broadband, higher ARPO is also a result of higher migration, higher proportion of fiber in our customer base, and upsell of higher fiber speed options, or let's say, higher preference and demand by customers for higher fiber options, and also upsell of content, both linear and OTT. And here we see for us even bigger opportunity to grow because we are growing from access player to penetrating more our customer base with content services. So, this is giving us a confidence that this trend will be kept for future quarters as well. And just to maybe to bring some light for Q4, we expect it to be as strong or even slightly uplifted because we are expecting to see an improved performance for prepaid, which we had the prepaid ARPO which was slightly decreasing several few quarters due to changes in the, let's say, offer structure, which will be behind us.

Leszek Iwaszko, Head of IR:

The third question is about what we wrote on the slide dedicated to Światłowód Inwestycje. There is a bullet mentioned about dividends in the long term that could be owners of Światłowód Inwestycje could benefit from in the long term, and he's asking, what does the long term means according to the management?

Jacek Kunicki, CFO:

Paweł, thank you. I think we tackled this question before. It's beyond 2032, 2033. This is the area where we can start thinking about getting some dividends, but it also depends on the pace of development, obviously, on the terms of different refinancings. But when you are looking at a FiberCo, you're not looking at a FiberCo from a three or a five-year perspective. You're looking at a FiberCo from a 20 or a 30-year perspective. And once the target state of the network is reached, a FiberCo does become a cash cow, and the FiberCo is able to upstream a lot of cash to its shareholders on sustainable basis. I think this is more or less what we need to have in mind. Obviously, the term is quite long, but this is the nature of the business.

Leszek Iwaszko, Head of IR:

Thank you. It appears we have no further questions. Thank you very much for the questions that you asked, and thank you very much for your participation. And if you would like to meet us, talk to us, please give us a note. And thank you very much, and goodbye.

Liudmila Climoc, CEO:

Thank you.

Jacek Kunicki, CFO:

Thank you very much.