

Capital Market Day 2023

Lead the future

16th February 2023

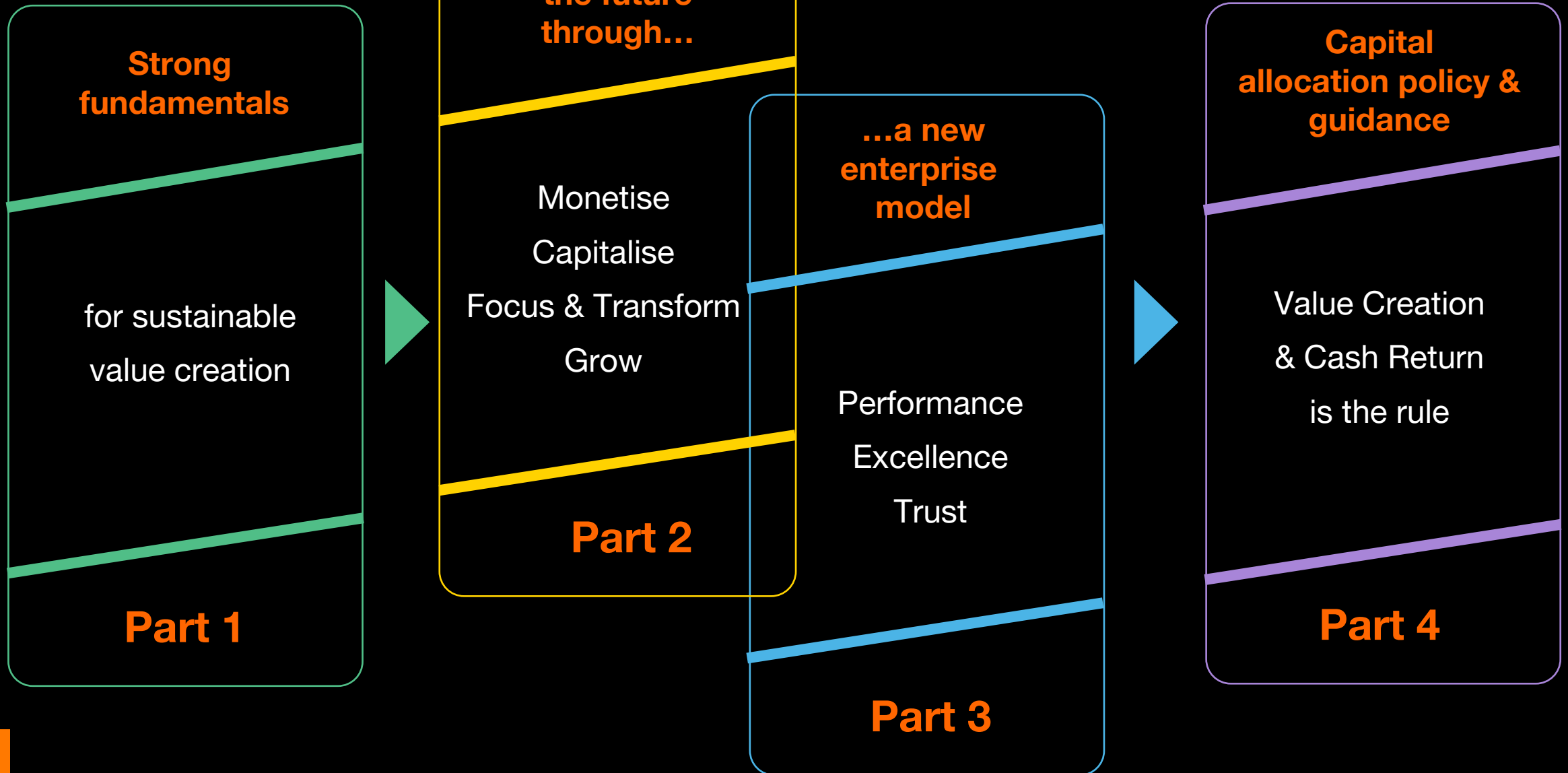
Christel Heydemann
CEO



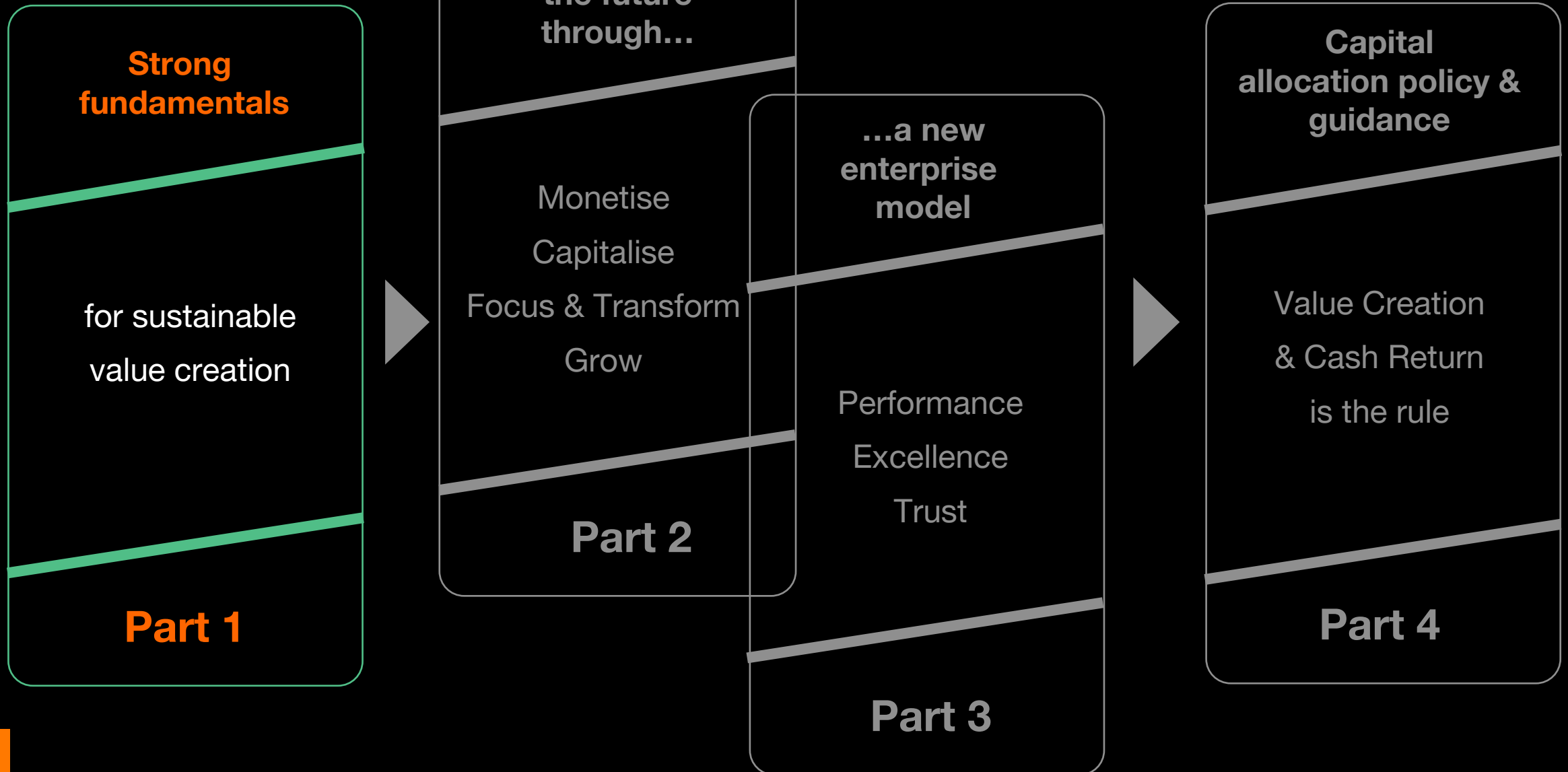
Disclaimer

This presentation contains forward-looking statements about Orange's financial situation, results of operations and strategy. Although we believe these statements are based on reasonable assumptions, they are subject to numerous risks and uncertainties, including matters not yet known to us or not currently considered material by us, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. More detailed information on the potential risks that could affect our financial results is included in the Universal Registration Document filed on 31 March 2022 with the French Financial Markets Authority (AMF) and in the annual report on Form 20-F filed on 1 April 2022 with the U.S. Securities and Exchange Commission. Forward-looking statements speak only as of the date they are made. Other than as required by law, Orange does not undertake any obligation to update them in light of new information or future developments.

Agenda



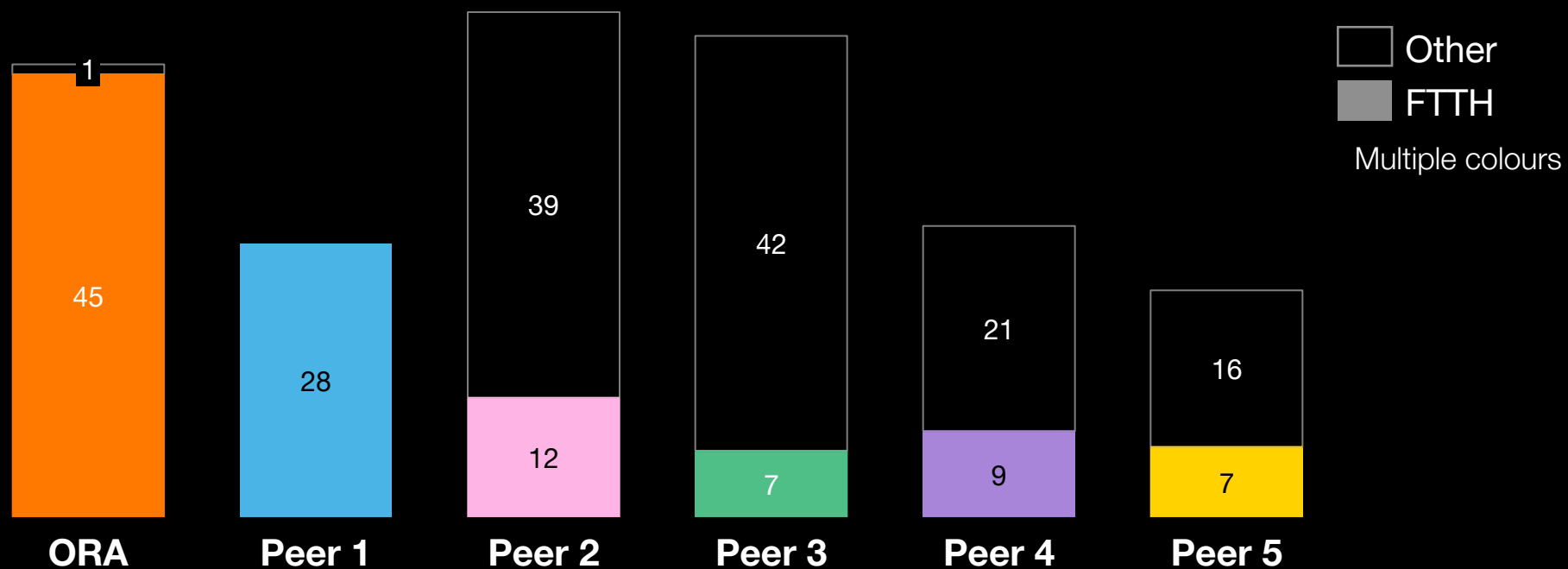
Agenda



Confirmed network superiority

Starting with an undisputed lead in fibre roll out in Europe

VHBB deployment as at end Q3 2022, in million lines

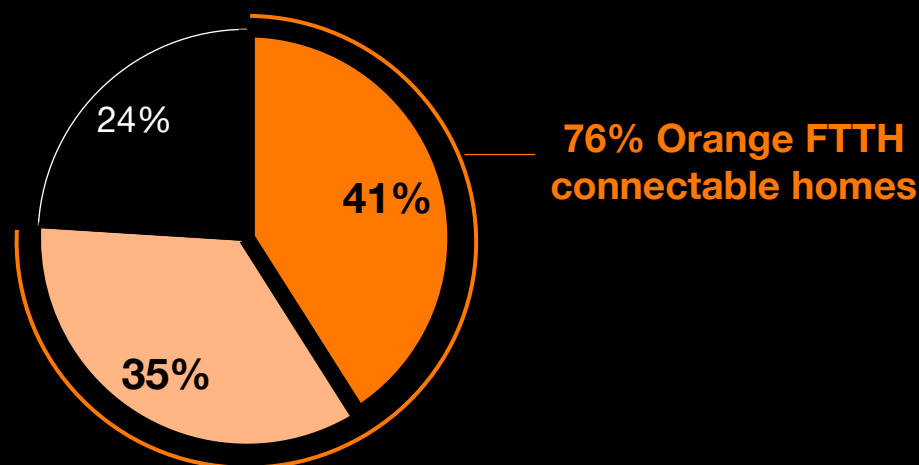


France FTTH roll-out nearly completed...

99% coverage with VHBB solutions*

FTTH deployment in France

in % and '000 of total premises, Q3 2022

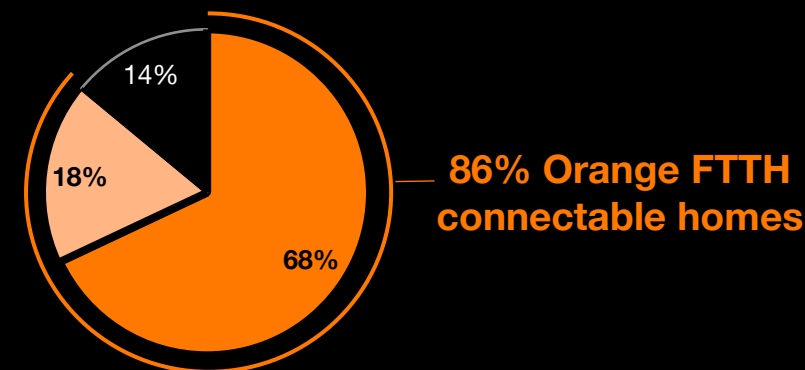


Total: 43m premises

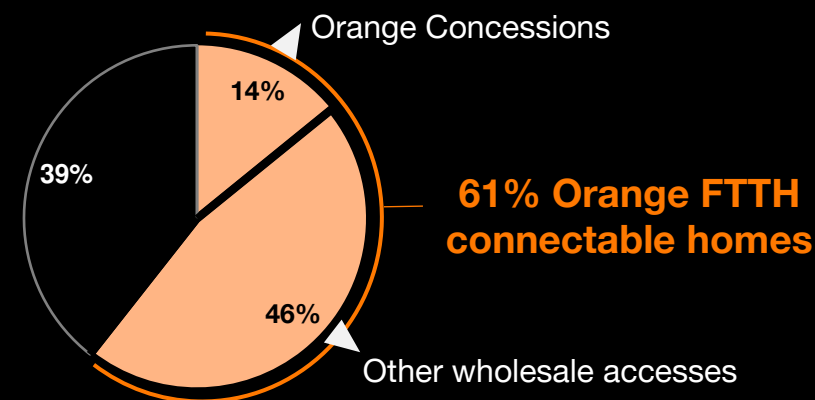
- Orange own network (excl. O.Concessions)
- Orange wholesale accesses
- Non connectable homes

FTTH deployment by area

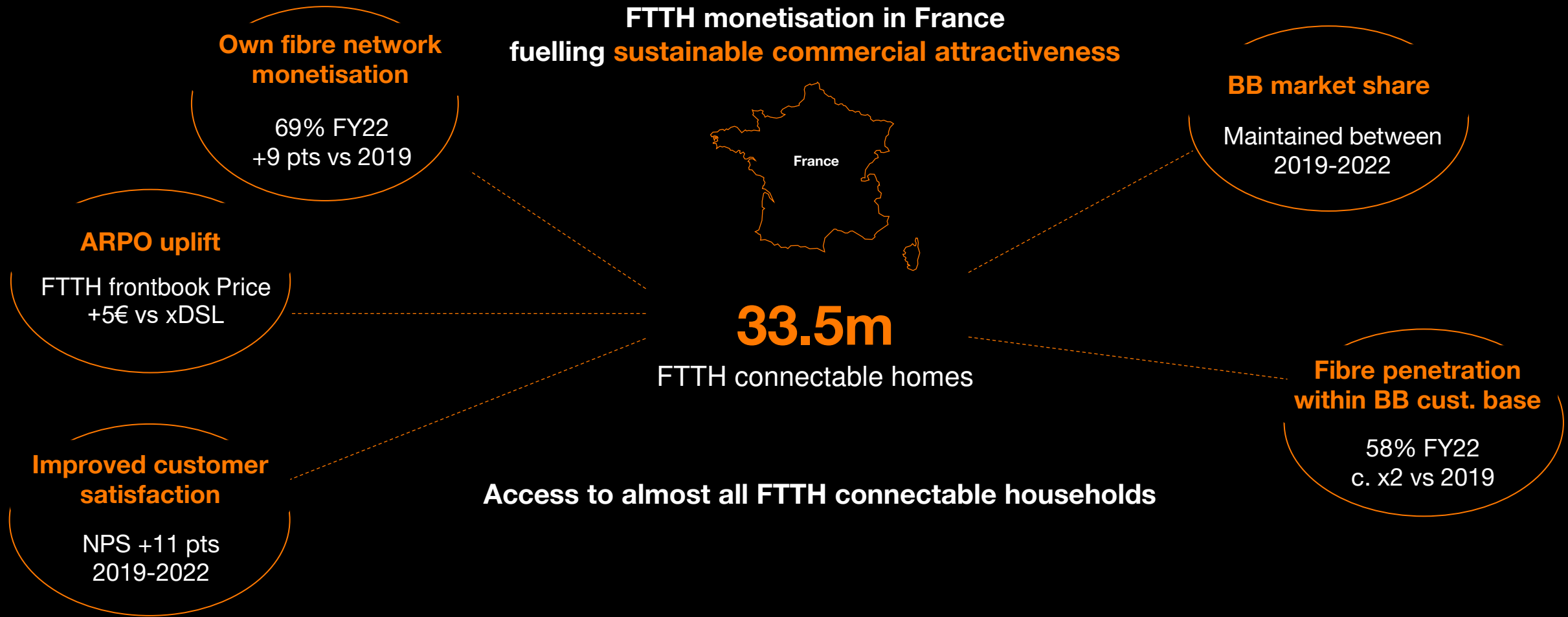
Private areas:
very dense area,
less dense area
and AMEL
Total: 26m premises



Less dense area – PINs:
network owned by
municipalities & rolled-
out through concessive-
type agreements
Total: 17m premises



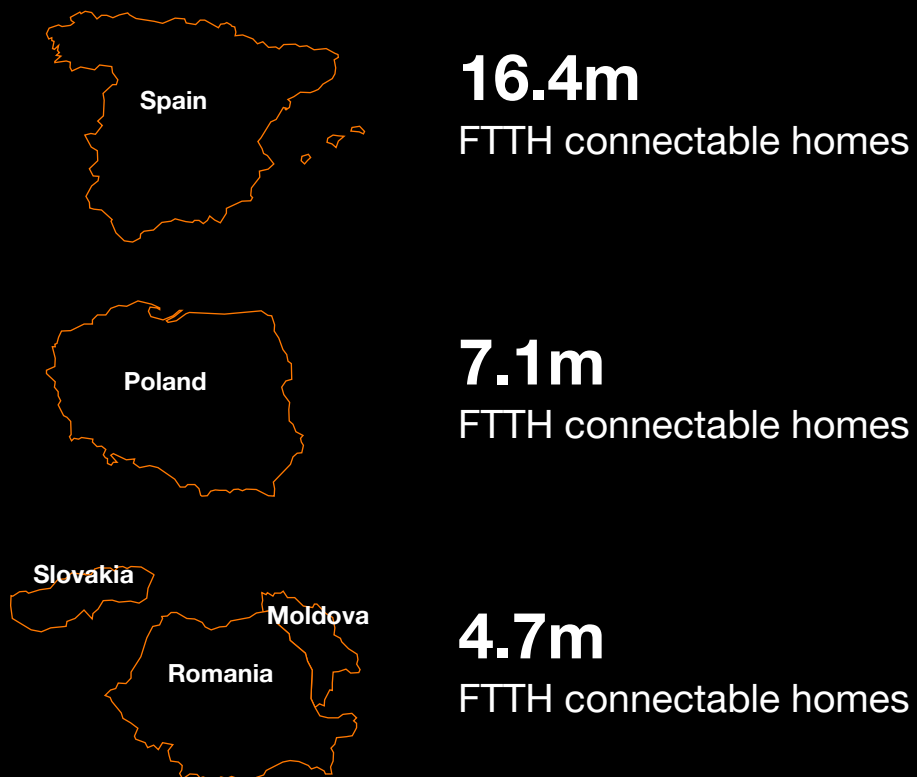
...with first-mover advantage bearing fruits



1 Optimised coverage in Europe

Opportunistic **case-by-case investment models** of FTTH roll out ...

... fuelling **sustainable** commercial attractiveness



ARPO uplift

vs other FBB

c.30%⁽¹⁾

thanks to convergence
and high-end offers

**Better churn
with FTTH**

-6pts⁽¹⁾

churn FTTH vs other FBB
technologies

VHBB⁽²⁾ **penetration**
within BB cust. base

69%⁽¹⁾

+13pts vs 2019⁽³⁾

Outstanding mobile networks fuelling growth & ready for traffic explosion

4G

coverage⁽¹⁾ in Europe almost finalised and growing fast in MEA **confirming network leadership**

>99% coverage⁽¹⁾ in Europe

>90% in MENA and fast growth in other MEA countries



Best mobile network in France
for the 12th consecutive time



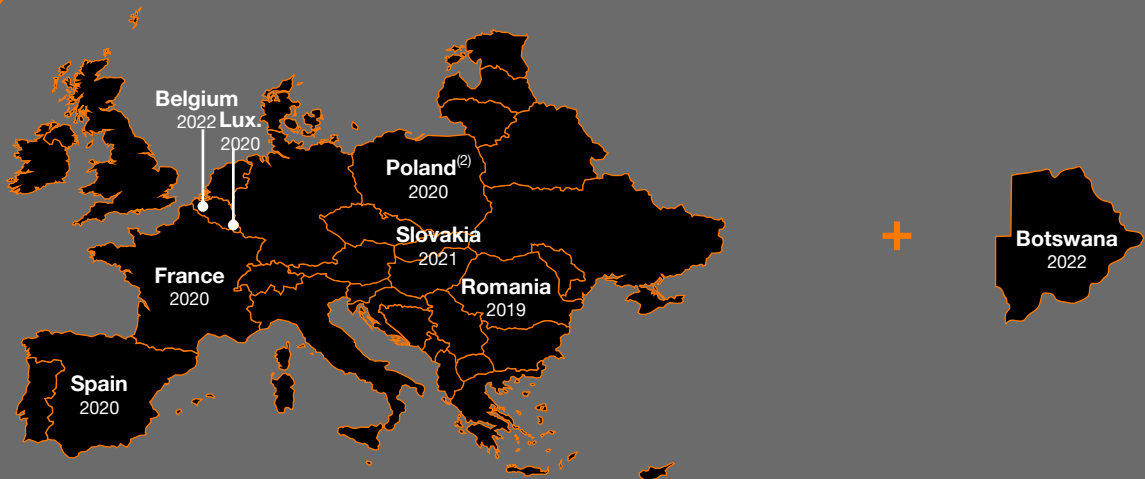
Strong position in NPS



ARPO premium vs 2G/3G in MEA
With 4G penetration up x1.9 2019-2022
Up to 37%, leaving further potential

5G

now commercialised in **8 countries...**



...with high **monetisation potential**



5G ARPO uplift
in France & Spain



Improving customer retention



Large remaining potential

78% coverage in Spain, ~50% in France
B2B opportunities with IoT, smart cities, industry 4.0

Increasing customer satisfaction since 2019

With Net Promoter Score and customer bases up and churn improvement

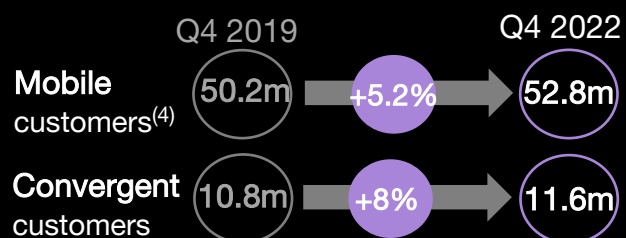
Increasing NPS since 2019

+20pts NPS in Europe⁽¹⁾

+11pts NPS in France⁽²⁾

Customer bases increase

Europe + France



Decreasing churns

Mobile churn⁽³⁾
2019-2022

▶ -8pts Spain
-2pts Poland
-3pts France

#2 Most valued telco brand in Europe

Brand Finance 2023



(1) Convergent NPS in European countries (excluding France) of A brands and Jazztel NPS and including Poland since H1 2020, Belgium since H2 2021 and Slovakia in H1 2022

(2) Mass market NPS
(3) Mobile churn excluding M2M
(4) Mobile contracts excluding M2M

Model's resilience & agility mitigating headwinds

Price elasticity

Focus on **customer satisfaction**, **premium networks** while preserving social offers.

Priority to continued price increase in all countries

Key
mitigators to
offset
inflationary
pressure

Strict cost discipline

€700m cost efficiency programme achieved
between 2019 and 2022

Energy costs

Reduced energy consumption

Direct electricity needs hedged at very reasonable prices

Full visibility

Labour

Yearly and local negotiation processes

Under control

Lease

Network ownership

Limited exposure

Net financial interests

1.93x Net debt/EBITDAaL*

96% fixed-rate gross debt*

€17bn liquidity position*

Solid balance sheet

CAPEX

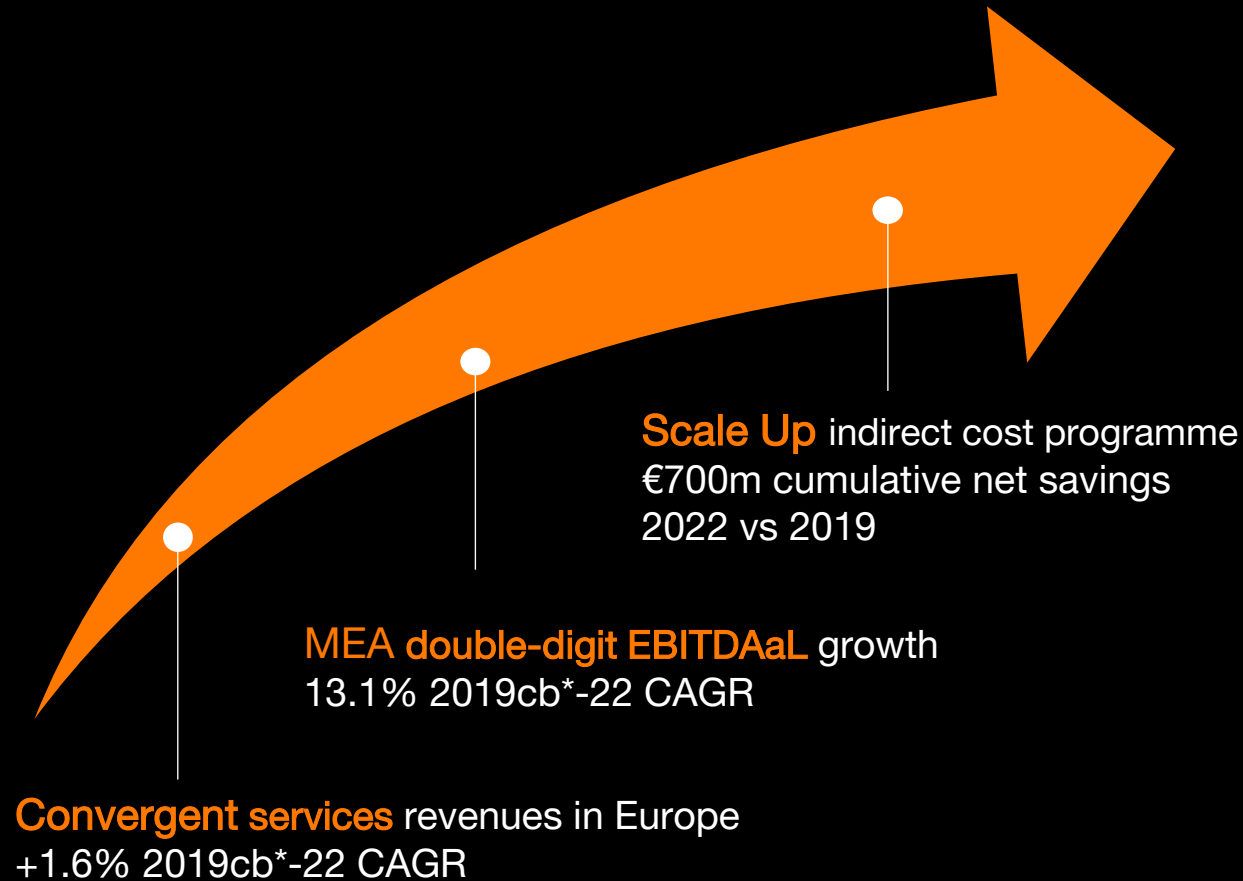
Most advanced FTTH roll out in Europe

Long term contracts securing supplies

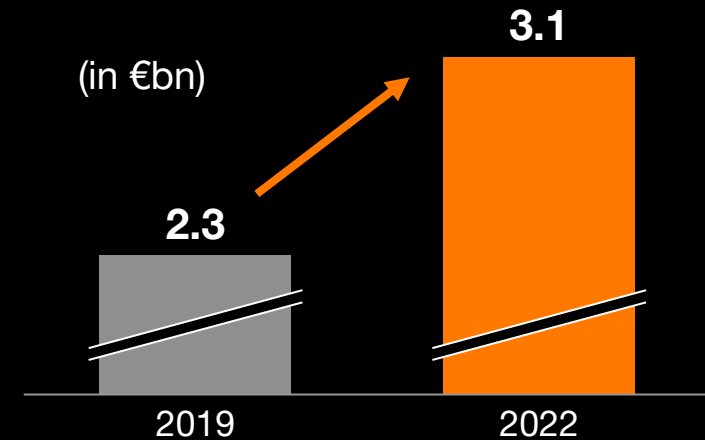
Purchasing power via Buyin

Peak passed

A strong OCF ramp-up over 2019 – 2022

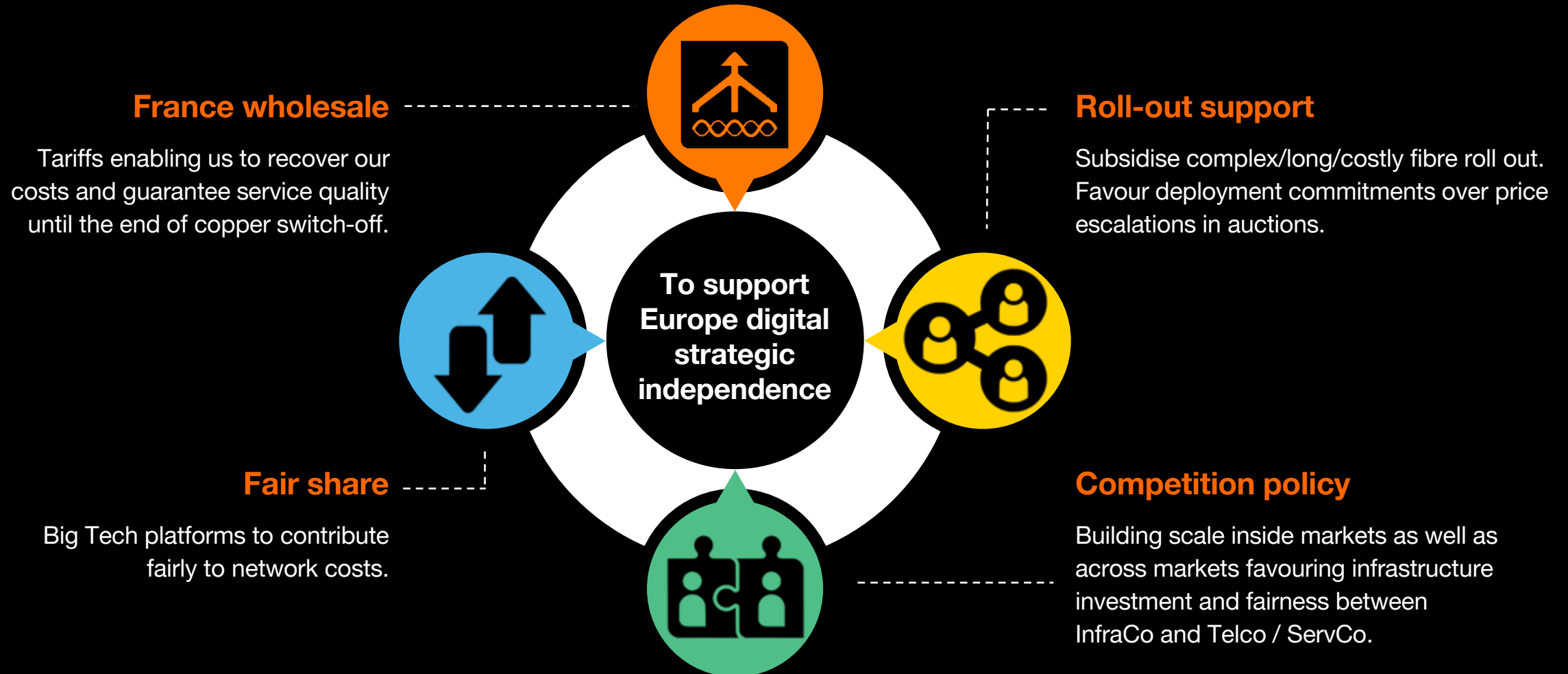


OCF ramp up €3.1bn in 2022

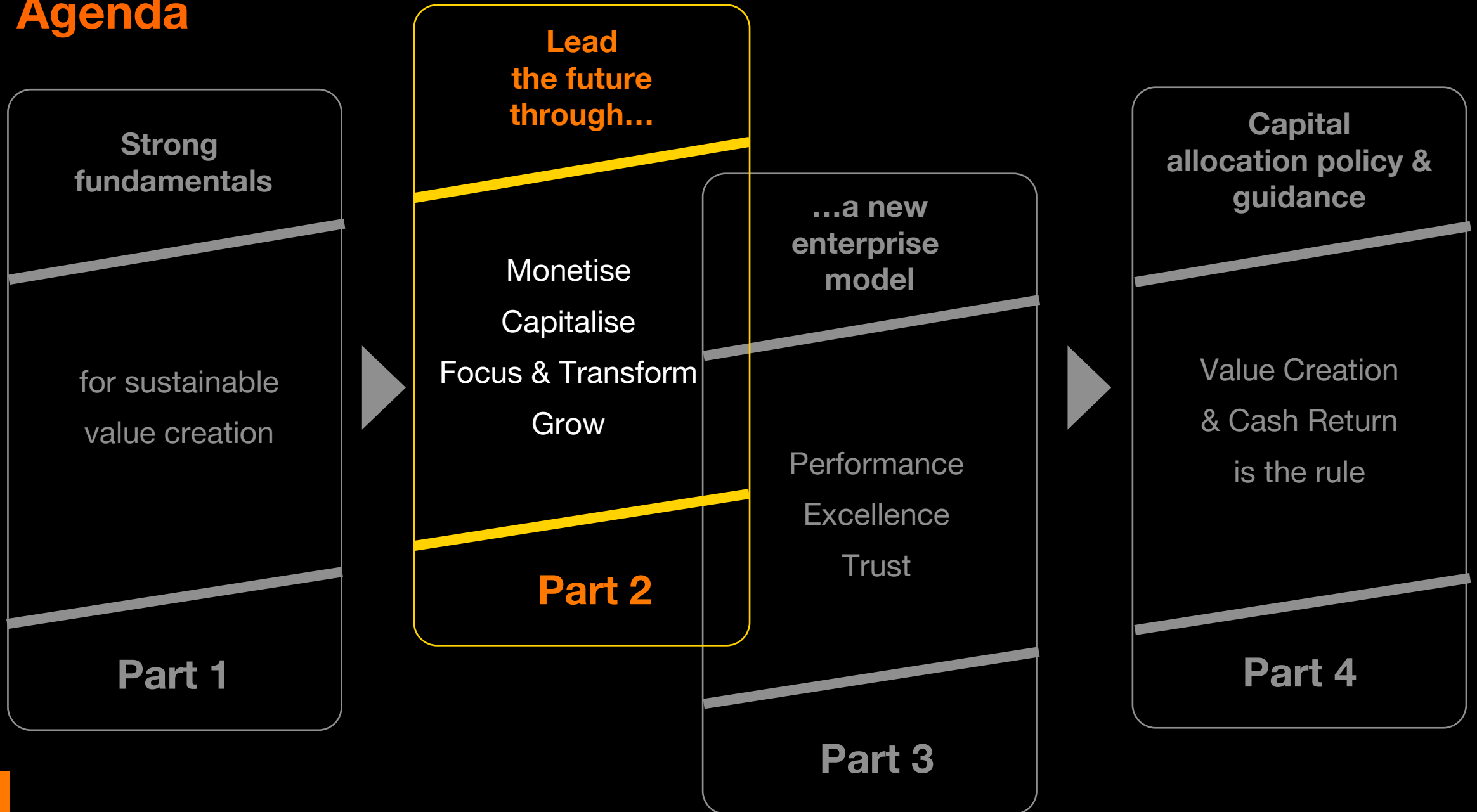


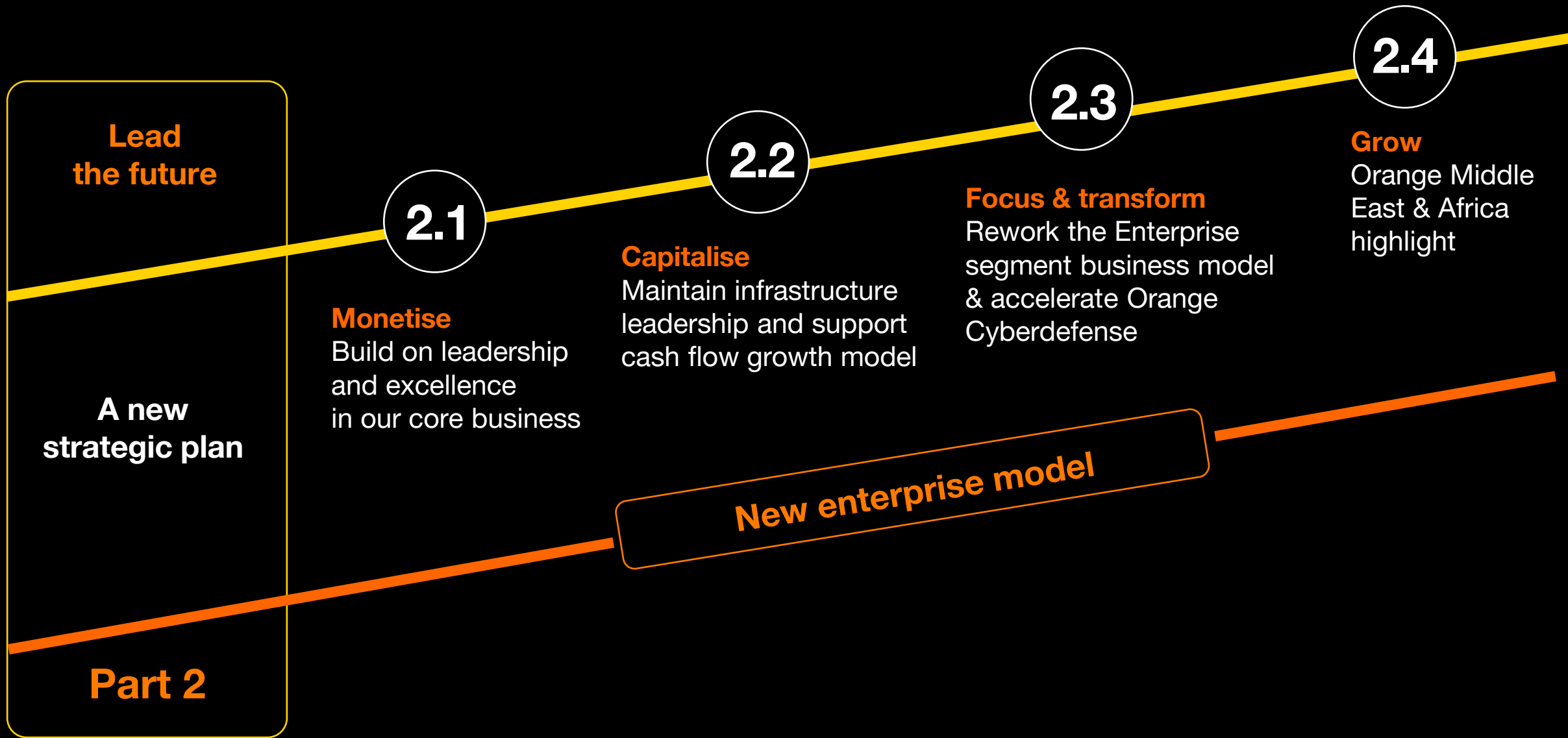
Our call for public actions

For a more supportive policy & regulatory ecosystem for Europe's digital ambitions



Agenda





**Lead
the future**

2.1

**A new
strategic plan**

Part 2

Monetise

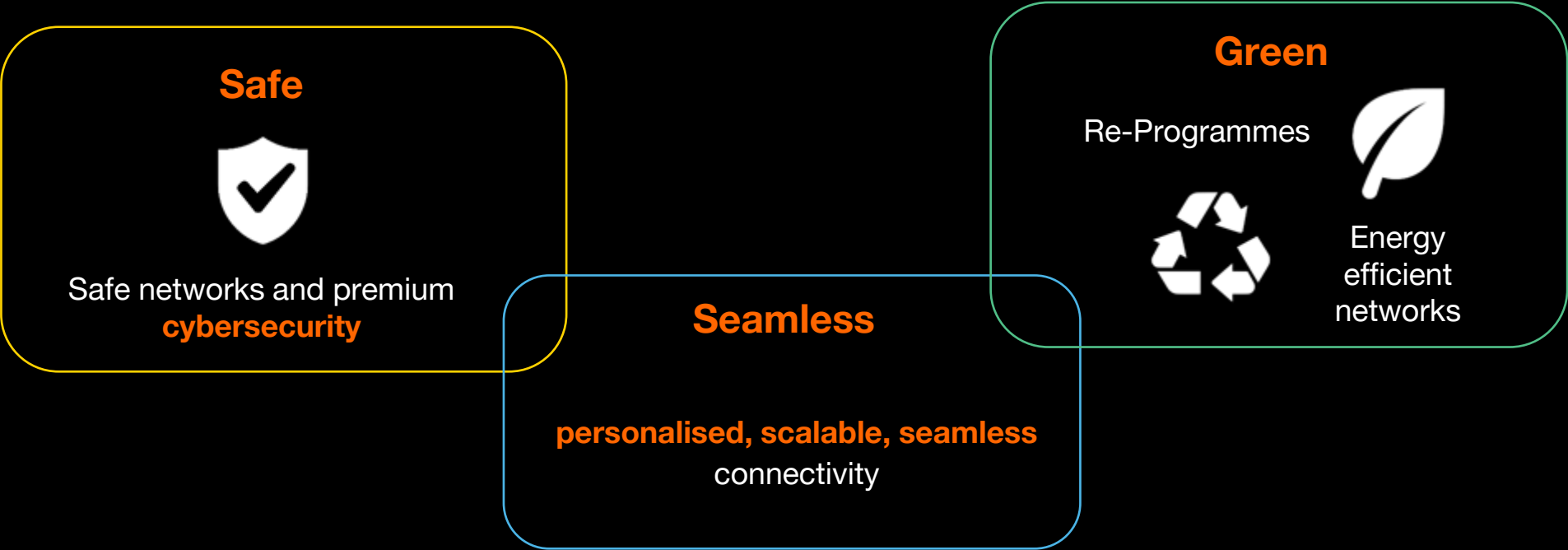
Build on leadership
and excellence in our
core business

- ▶ Refocus on core business
- ▶ Leading by excellence in customer service
- ▶ Pushing value strategy in France and Europe

Service strategy supported by digital experience and AI to become the market leader in customer relations

Reinvent phygital customer experience
through excellence of digital channels and expertise of customer advisors empowered by AI to:

Ensure 360° customer view Augment customer autonomy Transform our Shops



2.1 Inflation pass-through

Tailored price moves implemented accross all Europe

- Widespread price move from February 2023
- LiveboxMax offer in April 2022

General price increase in January 2023 (as done in 2022)

General price increase in April 2023

Price increases on Orange convergent and mobile offers in March 2023 following the reshuffling of Orange portfolio done in August 2022



- Price adjustments throughout 2022
- **CPI clauses** added on acquisitions from May 2022

General price increase since H1 2022

Front book price increases in 2021, 2022 with migration of base to new offers

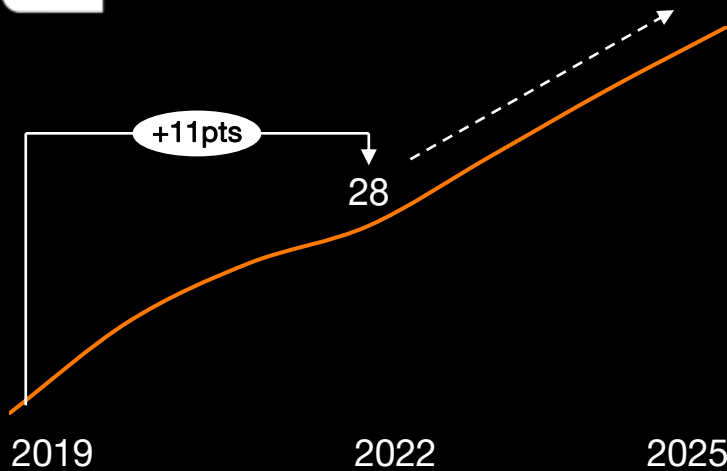
General price increase in October 2022

2.1 France: growth traction coming from Retail

Pricing power and market share protection



Customer satisfaction improvement (NPS*)



5G penetration

5G penetration** in mobile base **x3** vs 2022
Up to **70%** in 2025

Catalogue price premium vs 4G:
min. +€3



FTTH penetration

41m FTTH connectable HH in 2025
alternative solutions with 4G/5G & satellites
to connect most complex areas

FTTH penetration in FBB base
+40% vs 2022 up to **80%** in 2025

Catalogue price premium vs ADSL:
min. +€5



pricing & upsell strategy tactically adapting to change in customers' usage

Retail services revenues growth
2%-4%
2022-2025 CAGR excl. PSTN

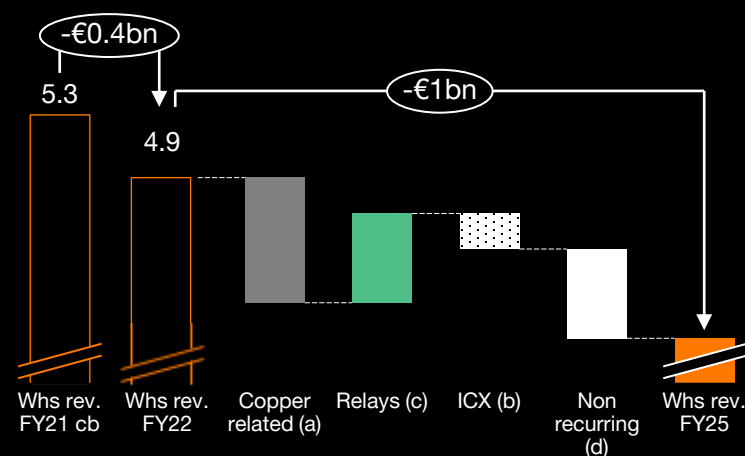
2.1 France: ongoing transformation of business model

Growing cash flow over 2022-2025

Wholesale decline

due to copper-to-fibre migration

Wholesale revenues: **-€1bn 2022-2025...**



...resulting in a much more limited wholesale
EBITDAaL evolution: -€0.4bn over 2022-2025



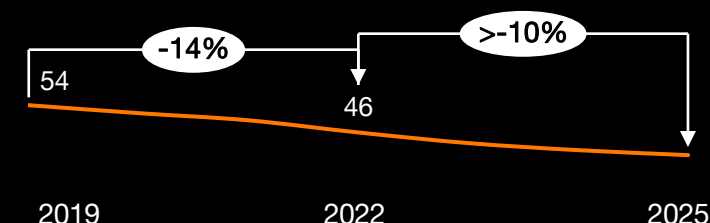
Retail growth
 +
 Cost optimisation
 +
 eCapex decrease
 =
outweighing
 wholesale decline

Cash flow growth
 2022-2025

Cost optimisation

- Significant **headcount reduction** linked to natural attrition and existing voluntary programmes

FTE average, in k:



- Savings in IT & network** costs
- Limitations of energy** consumption
- Higher digitisation** of customer experience by 2025:



Non sales >65%



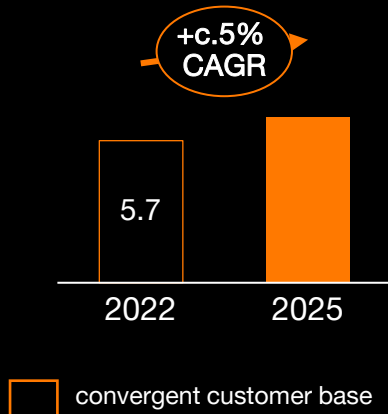
Sales >40%

Leadership and excellence in Europe boosting growth



Accelerate **VHBB strategy** to increase convergence

notably fuelled by Romania & Belgium



Price increases to offset inflation with constant **customer satisfaction** monitoring

- ▶ Price increases in all European countries
- ▶ With strong customer satisfaction improvement

Since 2019:

- ★ **+7** mobile NPS*
- ★ **+20** convergent NPS*
- 👍 **-8pts** mobile churn** Spain
- 👍 **-2pts** mobile churn** Poland



B2B fuelling growth with connectivity growth & portfolio enrichment

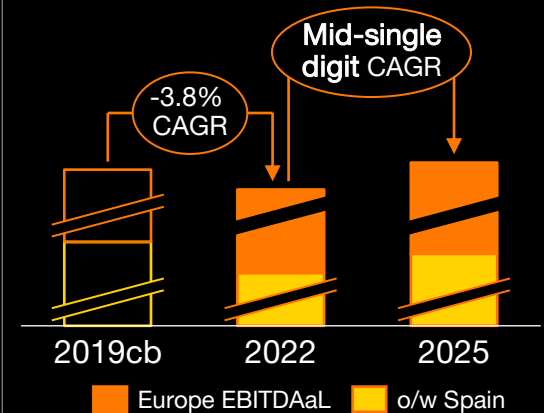


Mid-single-digit B2B 22-25 CAGR

- supported by:
- network assets and increasing 5G coverage
 - & portfolio enrichment leveraging Group's expertise and pulling



Acceleration in EBITDAaL growth thanks to Spain recovery



Spain back to EBITDAaL growth in 2023 and **high single digit** 22-25 EBITDAaL CAGR

2.1 Further consolidation and partnerships to maximise value of our European footprint⁽¹⁾



Orange Spain & Masmovil 50-50 joint venture in Spain

Agreement signed in July 2022
subject to antitrust authorities and other
relevant administrative authorities' approval

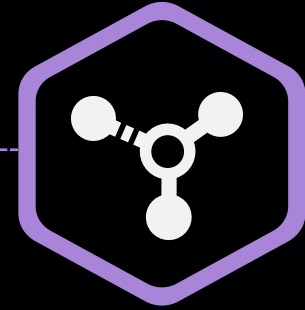
Create a sustainable player with financial
capacity and scale to continue investing
for the benefit of consumers and businesses



Acquisition of VOO⁽²⁾ in Belgium

Agreement signed in December 2021
subject to European Commission approval

Drive Orange Belgium's convergent strategy
& increase investment & competition for the
benefit of customers in Walloon and
Brussels regions



Wholesale agreements between Orange Belgium & Telenet

Signed in January 2023
subject to completion of VOO's acquisition⁽²⁾

Access each other's fixed networks
for a 15-year period

**Lead
The future**

2.1

Monetise
Build on leadership
and excellence
in our core business

2.2

Capitalise
Maintain infrastructure
leadership and support
cash flow growth model

- ▶ Technological leadership to maximise network quality and customer satisfaction
- ▶ Network management to optimise our investments
- ▶ Agile infraco model to create value

**A new
strategic plan**

New enterprise model

Part 2

2.2 New Group industrial model for networks based on our expertise in technological breakthroughs



Ambition: become the telecom reference
for network **agility, resilience** and **performance**

- 1 Network integration factories
 - **New on demand** delivery of **new services** (NaaS, slicing)
 - Fast complete **recovery plans**
 - Continuous **security** updates
- 2 Automated & shared operation centres in Europe and MEA
 - Predictive **Network Maintenance**
 - Close to real-time **incident management**
- 3 Optimised Capex & Opex
 - AI advanced cellular planning
 - Optimised **field operations**
 - Reduced networks **power consumption**

New Group industrial model

thanks to networks softwarisation, automation & AI
translating into

30x to 300x faster



Leverage AI@scale



Migration to public cloud for Data & IA with
common data governance



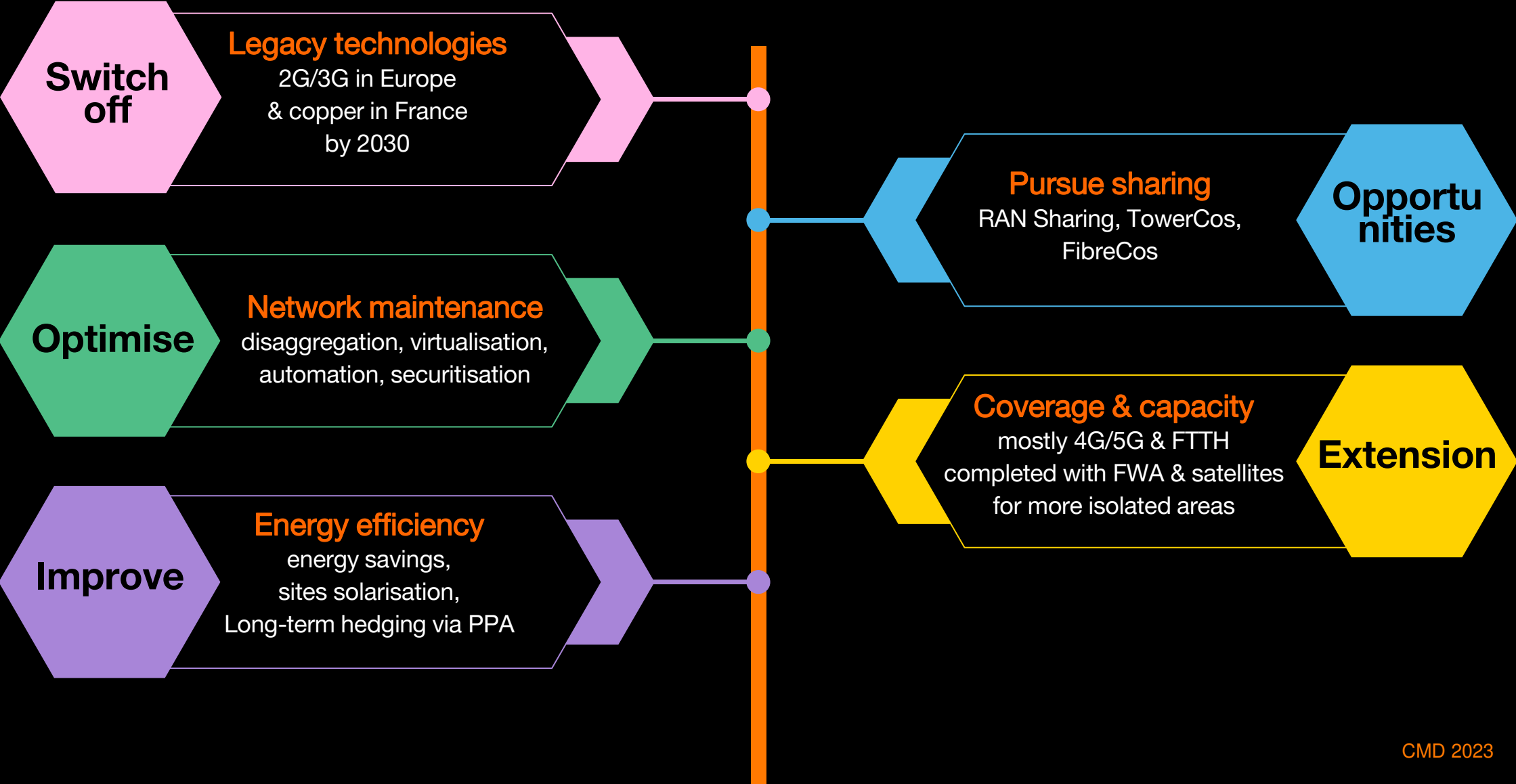
Global hub for use cases replication



Common methodology to track value
creation and prioritise resources

Orange 2030 ambitions for network

Modernise our networks at the right pace to adapt to customers' needs



2.2 Developing infrastructure to capture sustainable value

Creation of efficient vehicles when relevant

45m FTTH connectable homes by Orange as an infrastructure operator
70k mobile sites across the Group

Orange Conces- sions

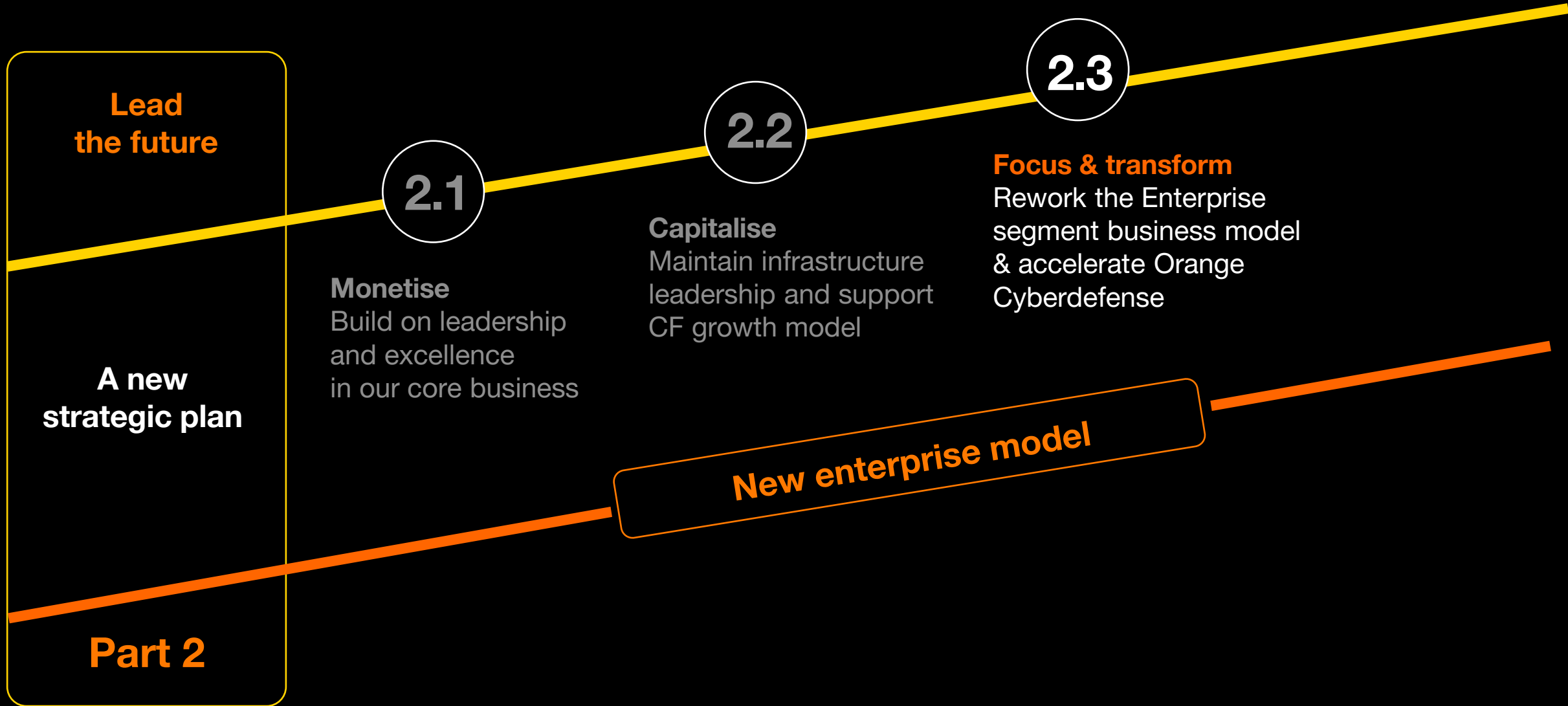
- ▶ **50/50 Joint venture** with high profile financial partners
- ▶ To deploy **4.5m FTTH plugs** in 24 PIN (30% market share in PIN networks)

Polish FibreCo

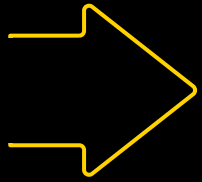
- ▶ **50/50 Joint venture** with a financial partner
- ▶ To roll-out c. **1.7m households** in low and mid competition areas

otem

- ▶ **c.27k** sites in France & Spain
- ▶ **1.37x** tenancy ratio in 2022 to reach **1.5x** in 2026
- ▶ **16%** hosting revenues from external customers in FY22
- ▶ **Commercial success** demonstrated by the signing of 2 major contracts signed in 2022 in France & Spain

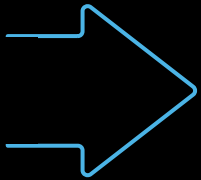


OBS becoming Orange Business is a network and digital integrator and must transform its operating model as a consequence



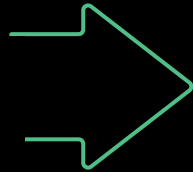
Orange Business Services today

half of a telco business (56%) and half of a digital business (44%)



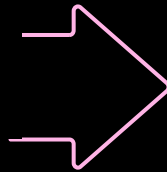
Market vision

networks and digital convergence



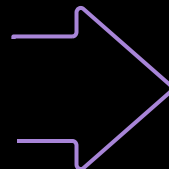
Orange Business tomorrow

leading network and digital integrator



The journey

ambitious transformation plan toward a full-fledged integrator operating model



The endgame

bring Orange Business back to market standards and profitable growth

2.3 Transformation of the operational model relying on 4 levers



Simplify

Efficient operational execution

Tighter P&L management

Adapt cost structure

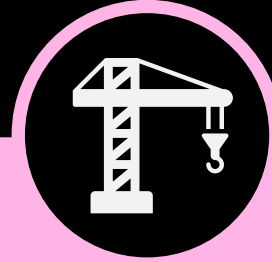


Focus

Pruning of products portfolio

Focus on next-gen connectivity and cybersecurity

4 value propositions



Transform & digitalize the core business

Next-gen connectivity leader
virtualised networks (SD-WAN, SASE),
Fibre, 5G

Develop a modular platform of services



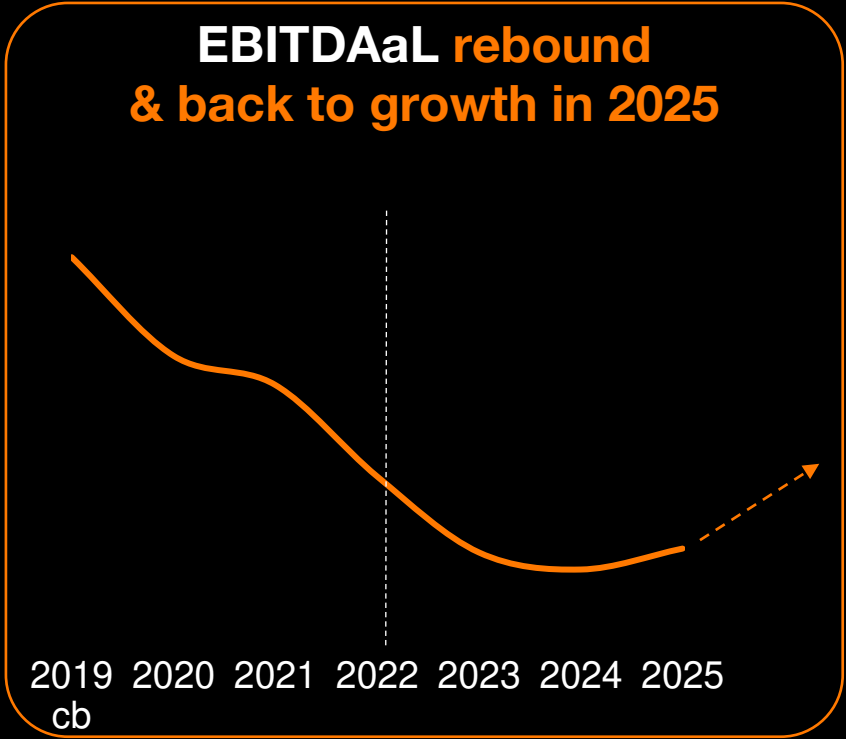
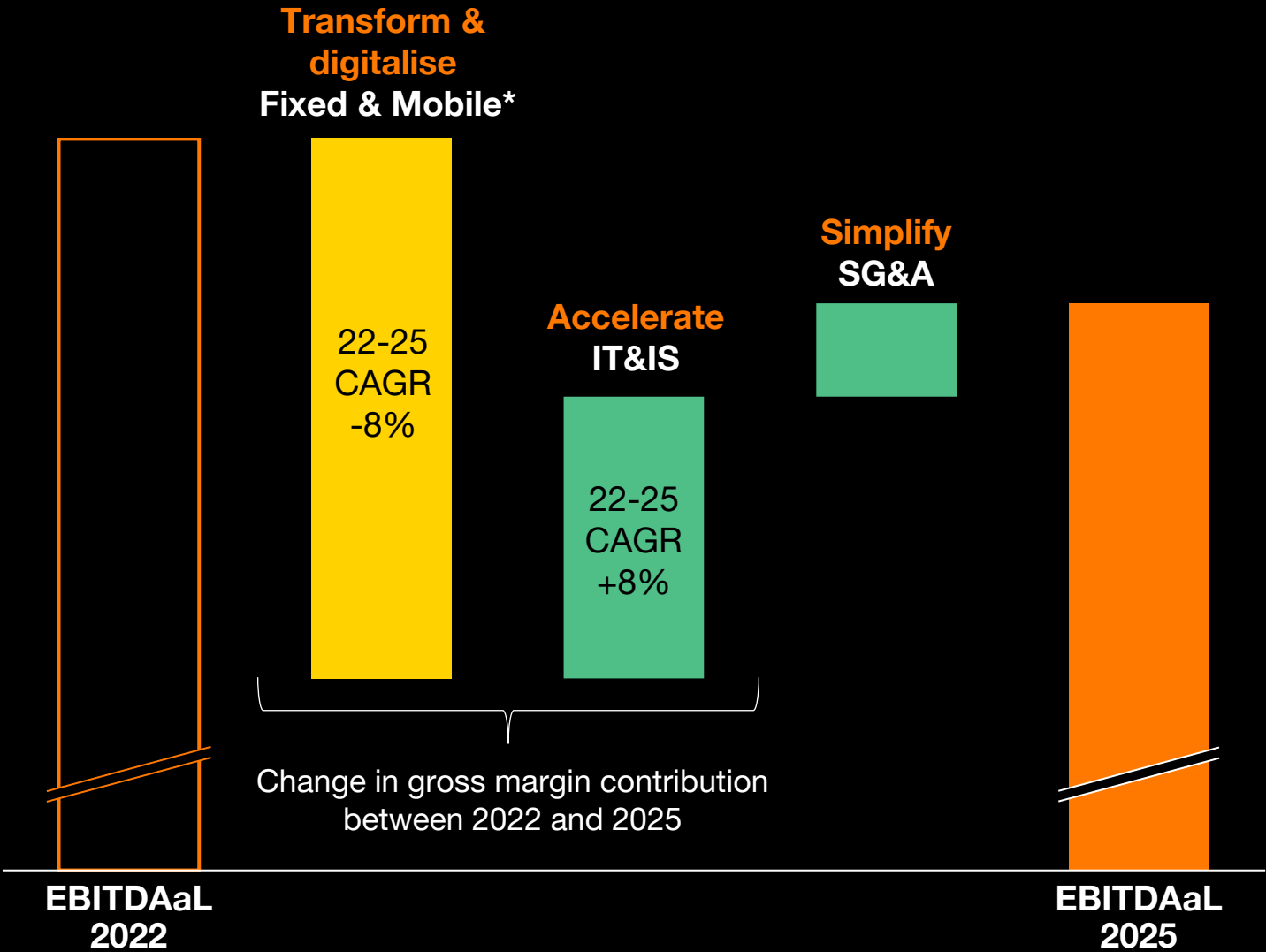
Accelerate in digital

Activate synergies

Consolidate Orange Business digital services capabilities

Accelerate in Cybersecurity

Enterprise EBITDAaL rebound in 2025 necessary cost cutting program



* Including unallocated gross margins

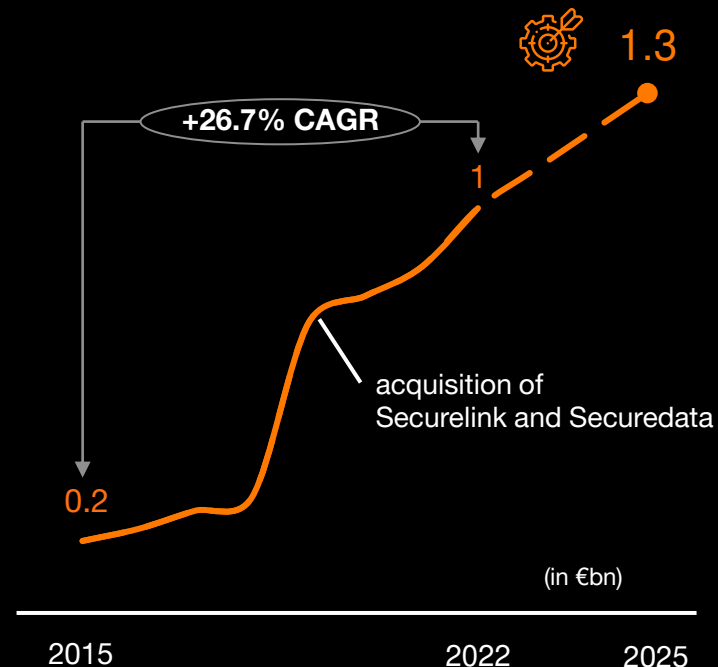
Core business for Orange

At the heart of our products,
"Security by Design" principle for our products

At the heart of our organisation,
making Orange a role model for internal cybersecurity

At the heart of our services for our customers,
offering state-of-the-art B2B cybersecurity services to all our clients, from MNCs to micro-businesses, but also accelerating on B2C

Revenues increased x5 since 2015,
targeting €1.3bn revenue in 2025...

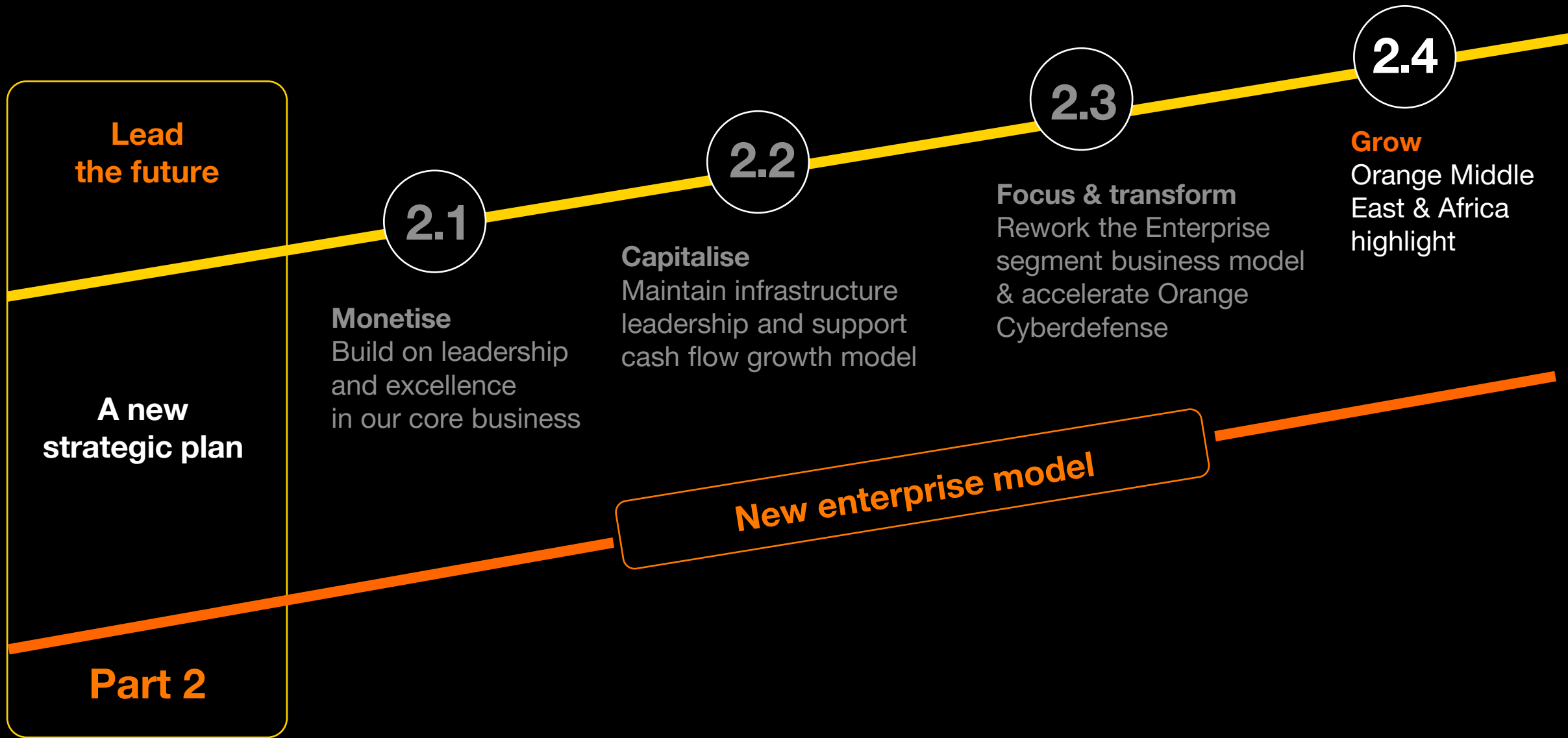


... to be a leader in Europe

Cybersecurity market is expected to strongly grow annually within coming years

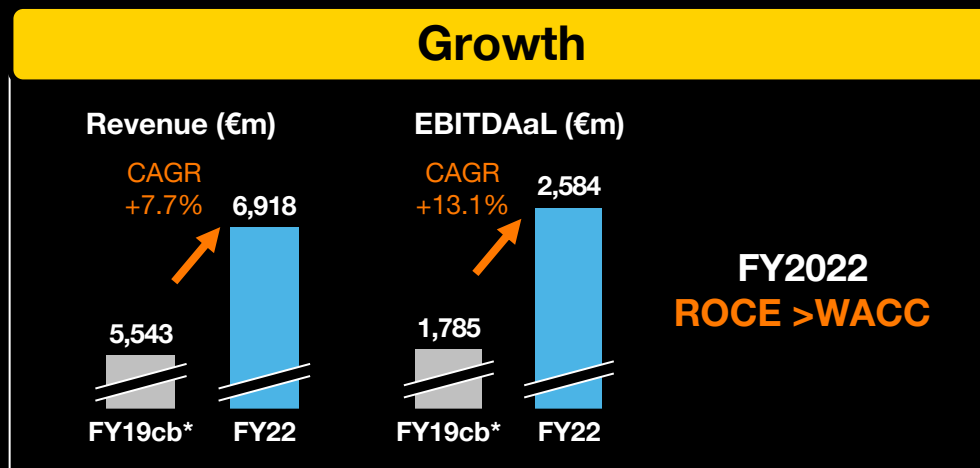
Orange Cyberdefense will gain shares in growing market through:

- accelerated organic growth with entrance in SOHO/SMEs and mass markets
- ... and targeted bolt on acquisitions (e.g. SCRT & Telsys acquisition in 2022)



2.4 OMEA achieved strong performances...

Performance



Resilience

Revenue growth **+5%**** from 2009 to 2022 > GDP*** growth in our footprint

Effective response plan to competition enabling us to be back to growth in mobile money

Balanced contribution of each cluster to our results

Increasingly energy independent thanks to **solar solutions**

Inclusion

1/10 African is an Orange customer:

- 143m** mobile customers
- 53m** 4G customer in 17 countries
- 29m** active O.Money cust. in 16 countries
- 15** Orange Digital centres

We have rolled out a Pan- African infrastructure:

- 1st pan-African backbone (Djoliba 10K km)
- 3.2m** HH connectable to VHBB
- 4G pop coverage average **66%**

Anchorage

Orange is a **PanAfrican Company** since more than 20 years

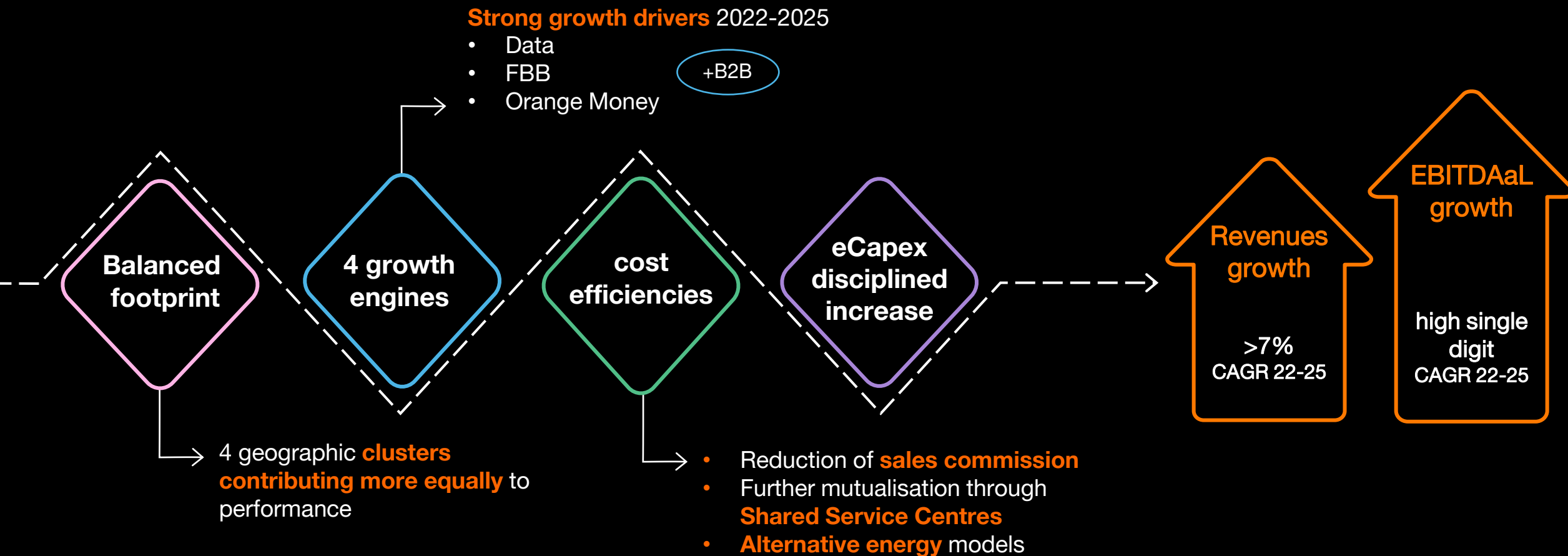
Strong **local partnerships**

Head offices are in **Morocco**

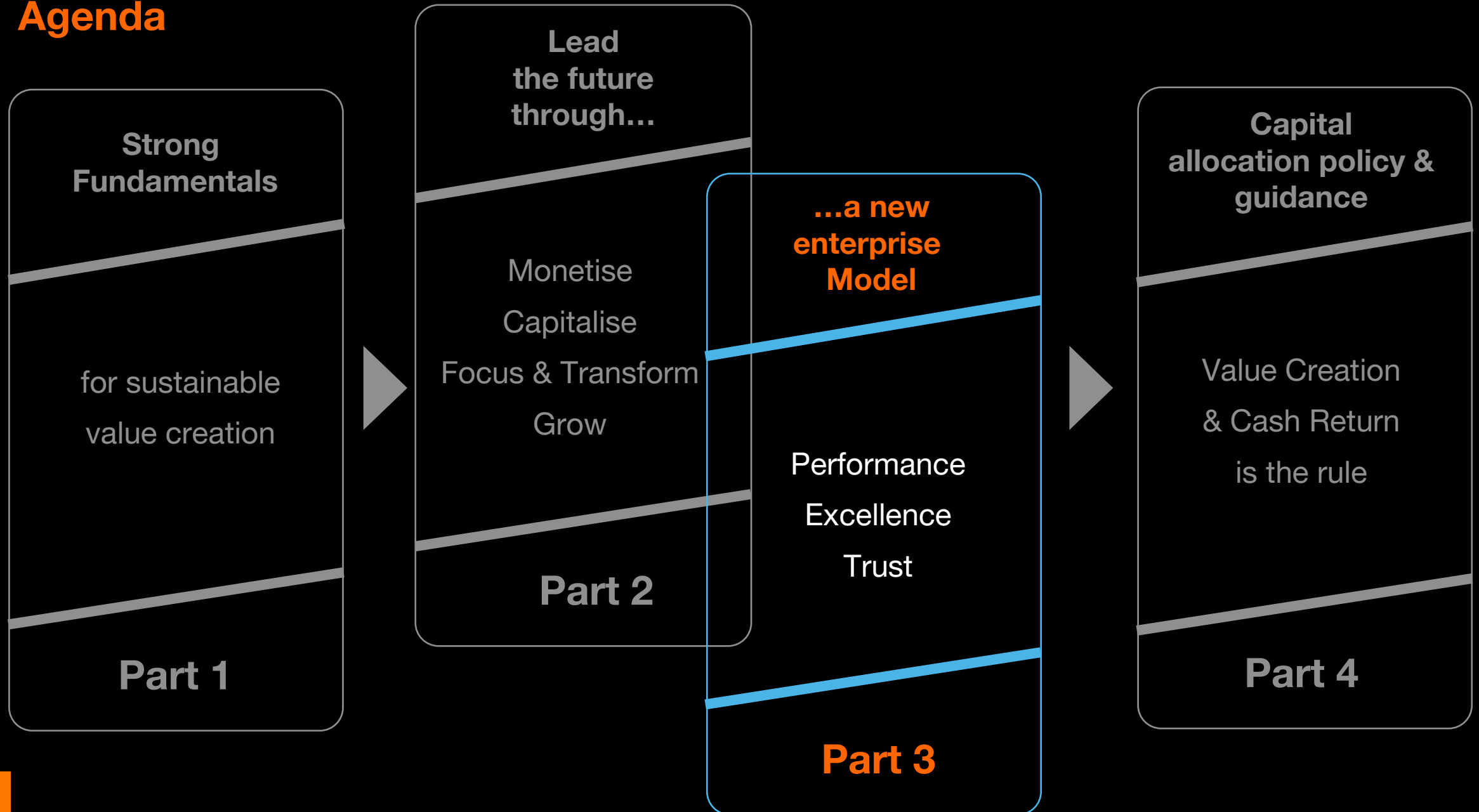
Shared Services centres are **all in Africa (3 hubs)**

Development

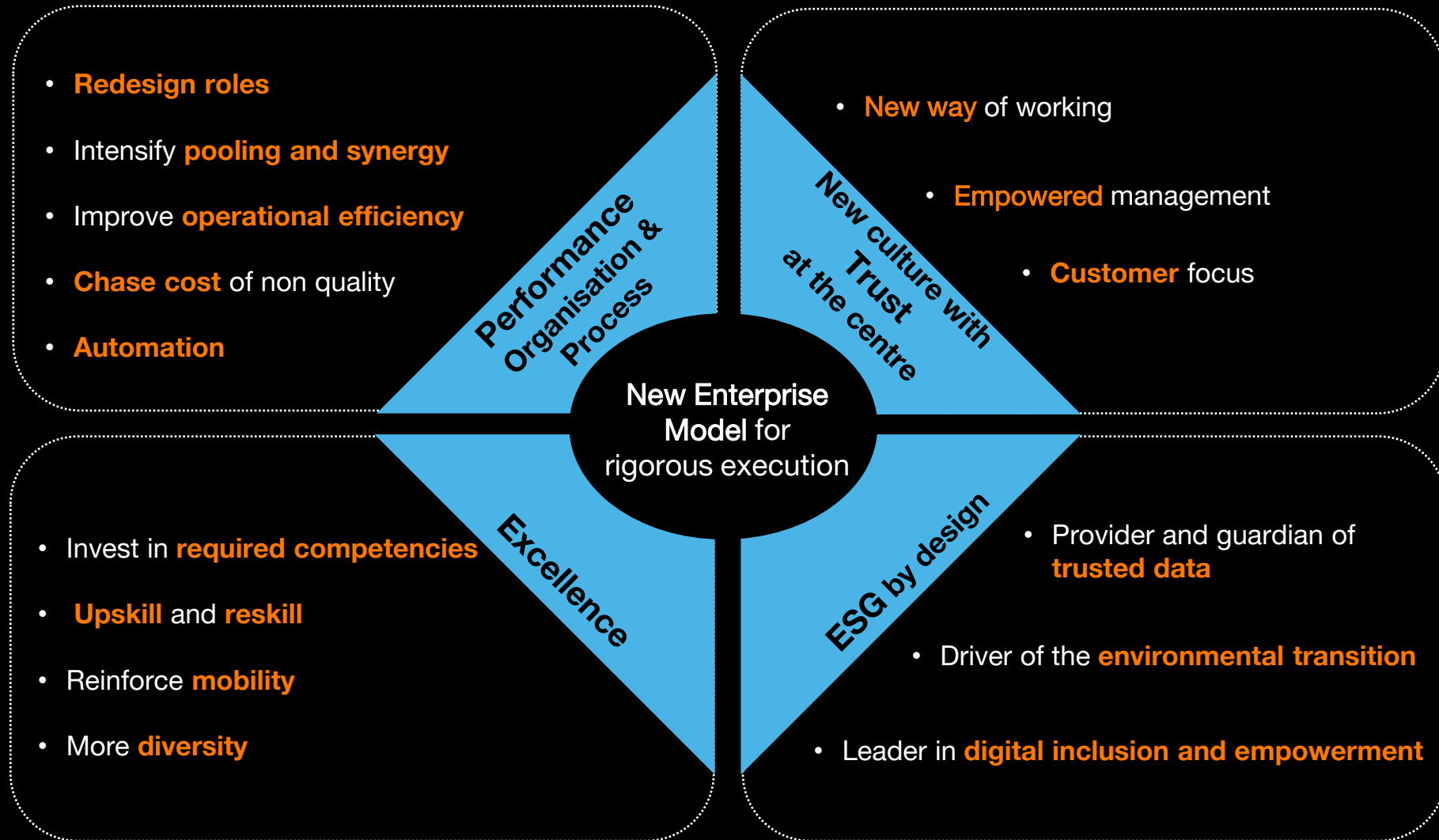
2.4 ...and will pursue strong growth path

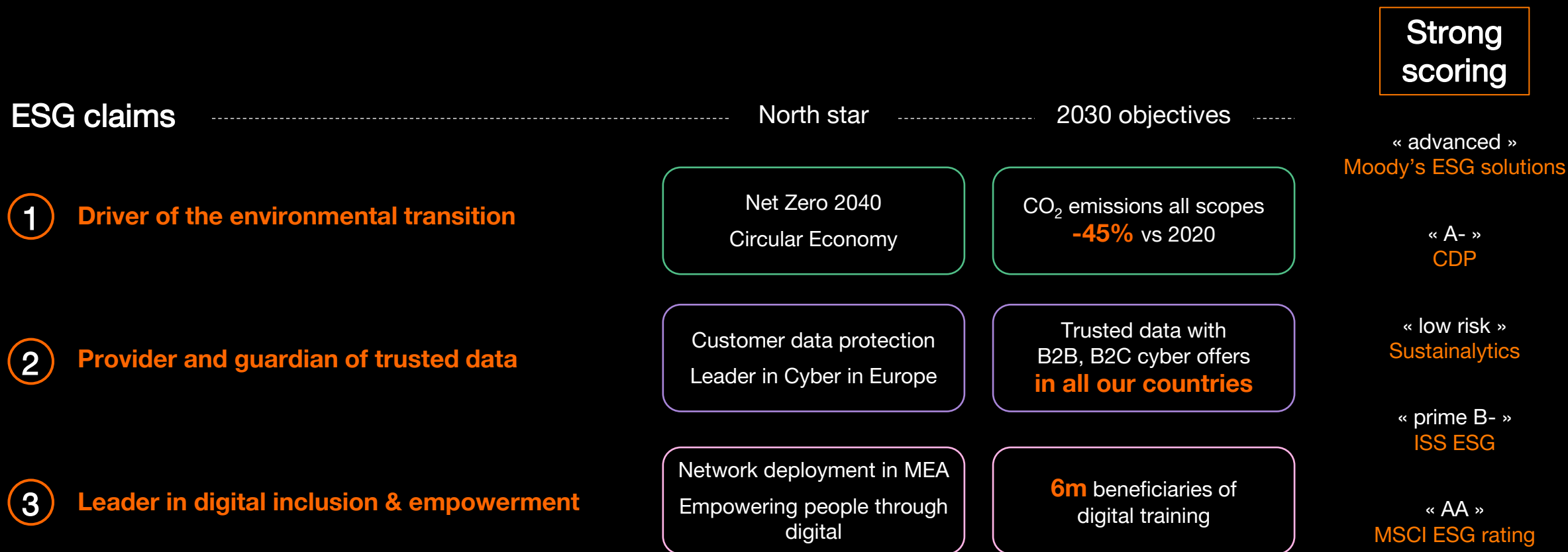


Agenda



3 A New Enterprise Model to serve efficiency and rigorous execution







Digital inclusion

develop connectivity and inclusive services

Progress as at end 2022

Ambitions

FTTH connectable homes 64.9 m → 69m / 2023

Orange Digital Centers 18 → 25 / 2025

Beneficiaries of digital skills training 1m → 2.5m/ 2025

Environment

reduce our CO₂ eq. emissions and implement circular economy to achieve Net Zero Carbon by 2040

CO₂ emissions reduction vs 2015 bc (scope 1&2) - 20.8% → -30% / 2025

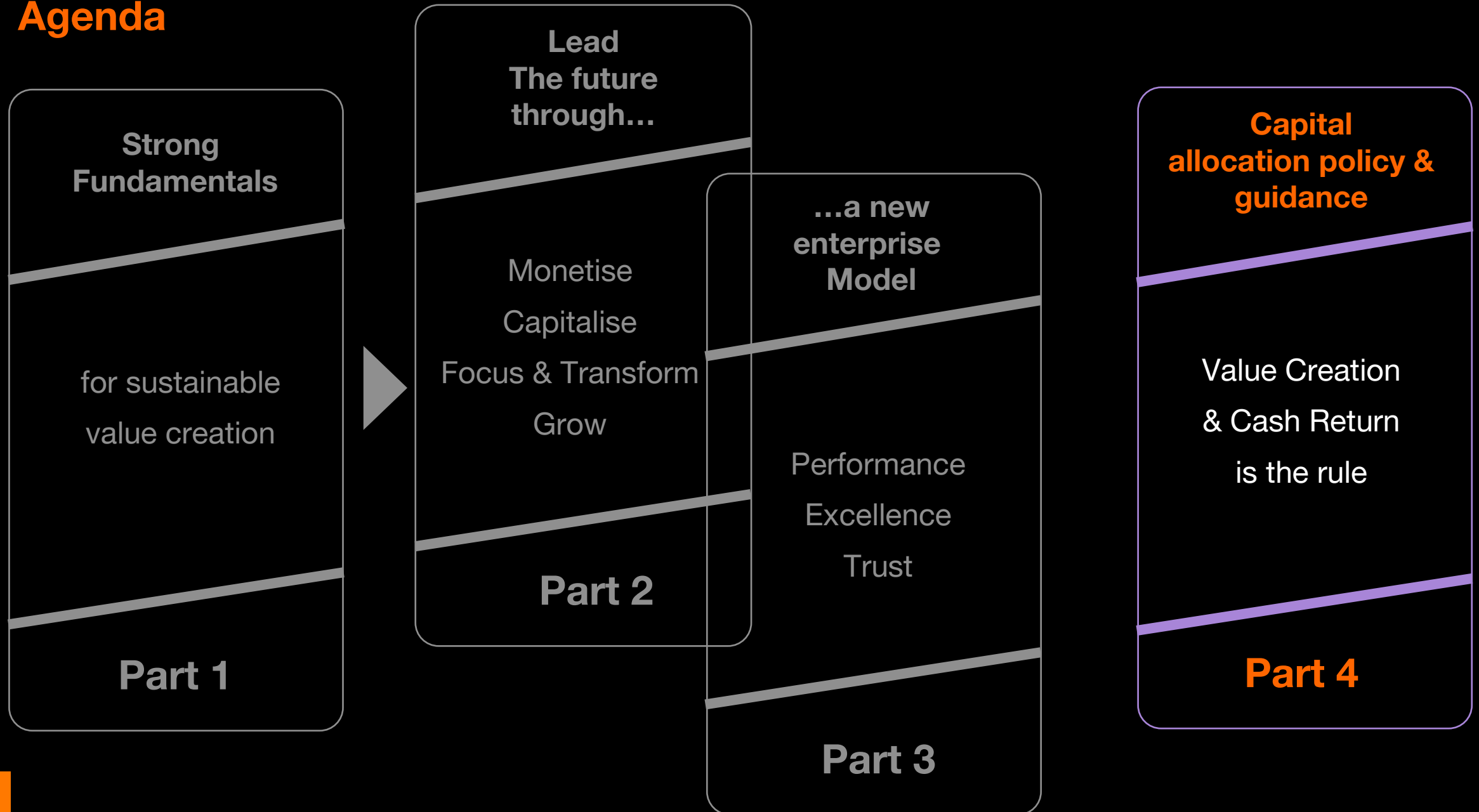
Collected mobile - Europe 23.1% → 30% / 2025

Diversity

align gender representation in management with employee representation

Women in management network (%) 33.1% → 35%/ 2025

Agenda



Further €600m nets costs savings

Scale up target exceeded



New efficiency plan

Acceleration of **existing initiatives...**

... and a new Enterprise model

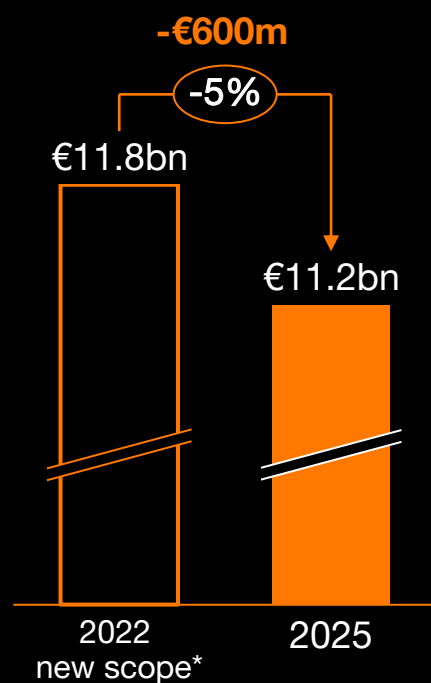
Contribution per segment:

France

>60%

Enterprise

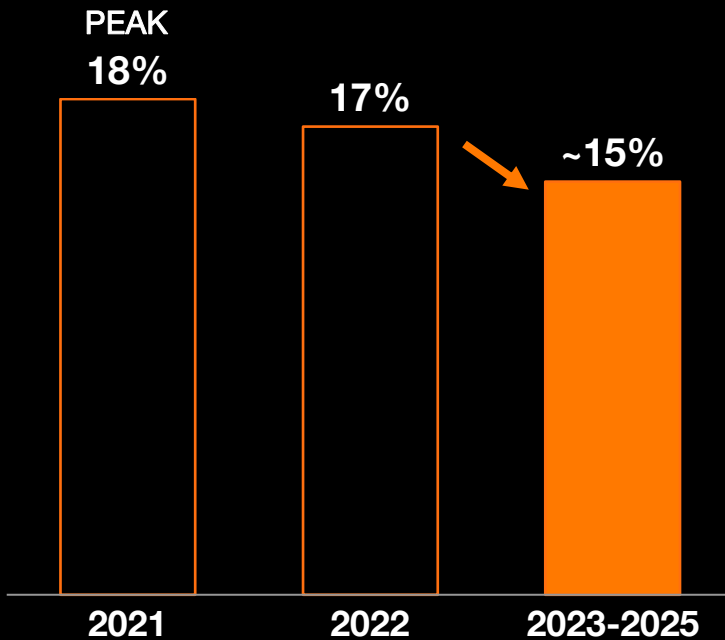
c.30%



□ Efficiency program costs base

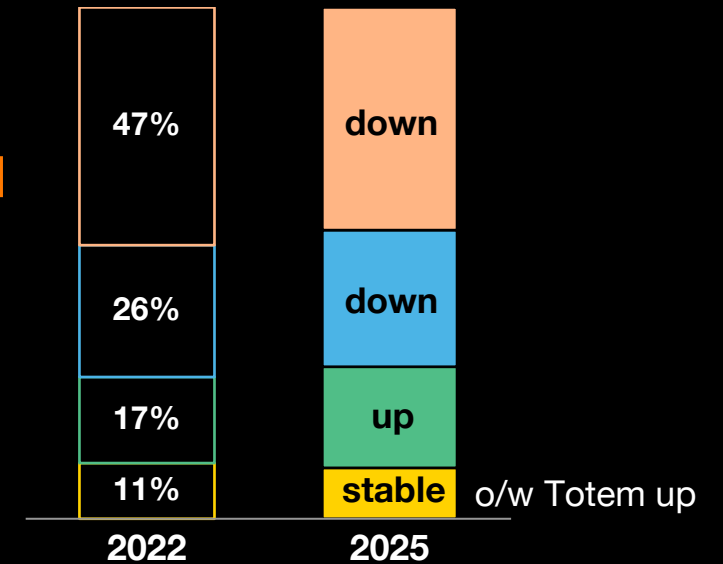
~15% eCapex/sales reached from 2023 mainly thanks to FTTH peak passed in France

Decrease of Group's eCapex/ sales over 2022-2025



Double digit decline
of FTTH gross Capex
over 2022-2025

Evolution of the share of reporting segments
in Group's eCapex over 2022-2025



France Europe MEA others

**Focus on
sustainable
value creation**

**ROCE improvement &
cash return for all decisions**

**Asset
management
with no taboo**

Regular **portfolio reviews** resulting in

- **exiting or restructuring** under-performing assets
- **arbitrage**
- **partnerships**

to boost value creation

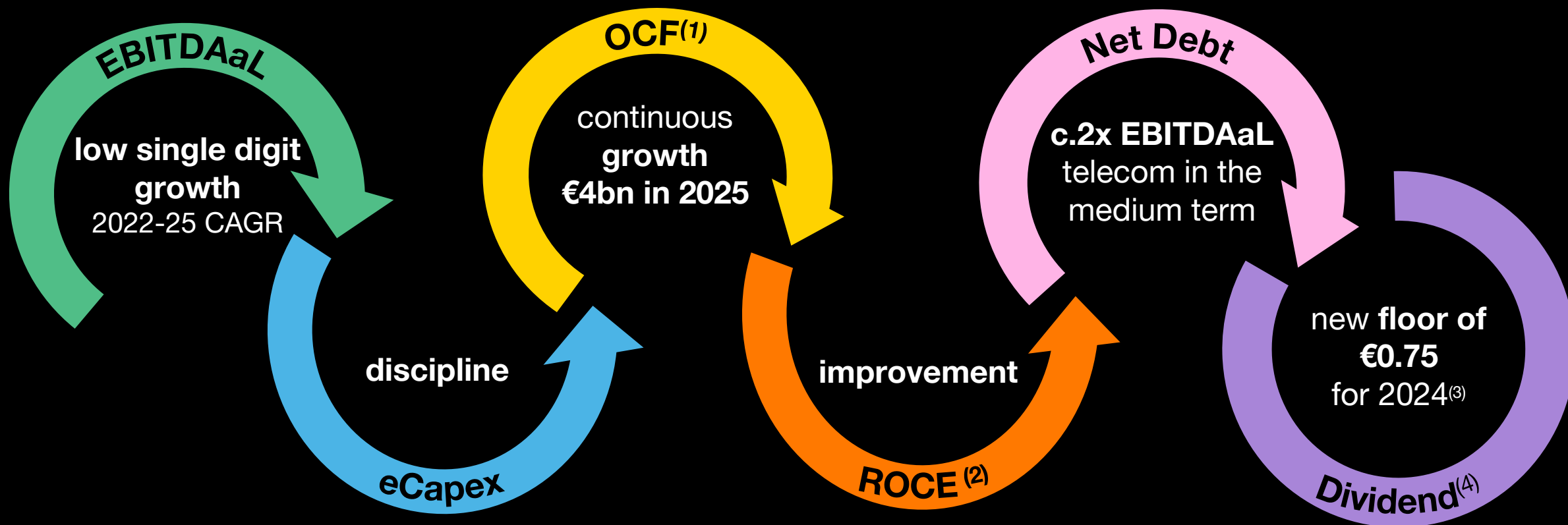
**Efficient
capital
structure**

- **ROCE improvement** 100-150 bp by 2025
- **Capex decrease** to ~15% sales from 2023
- **Disciplined M&A** policy
- Opportunistic **use of third-party capital**
- **Solid balance sheet**

**Return to
shareholders**

Dividend increase
thanks to OCF growth

	2023
EBITDAaL yoy, cb	Slight growth
eCAPEX yoy, cb	Strong decrease
Organic Cash Flow (telecom)	≥ €3.5bn
Net debt / EBITDAaL (telecom)	Around 2x in the medium term
Dividend*	€0.72 payable in 2024



The guidance does not include any M&A transaction that has not yet been finalized.

(1) Telecom activities.

(2) $ROCE(n) \text{ Telecom} = \frac{\text{adj.NOPAT}(n)}{\text{Net Operating Assets}(n-1)}$

(3) paid in 2025 on the basis of 2024 results

(4) Independent from scope evolution. Subject to shareholders' approval.

4.6 Solid trend of Organic Cash Flow growth towards €4bn in 2025

(in €bn)

Guidance achieved

>2

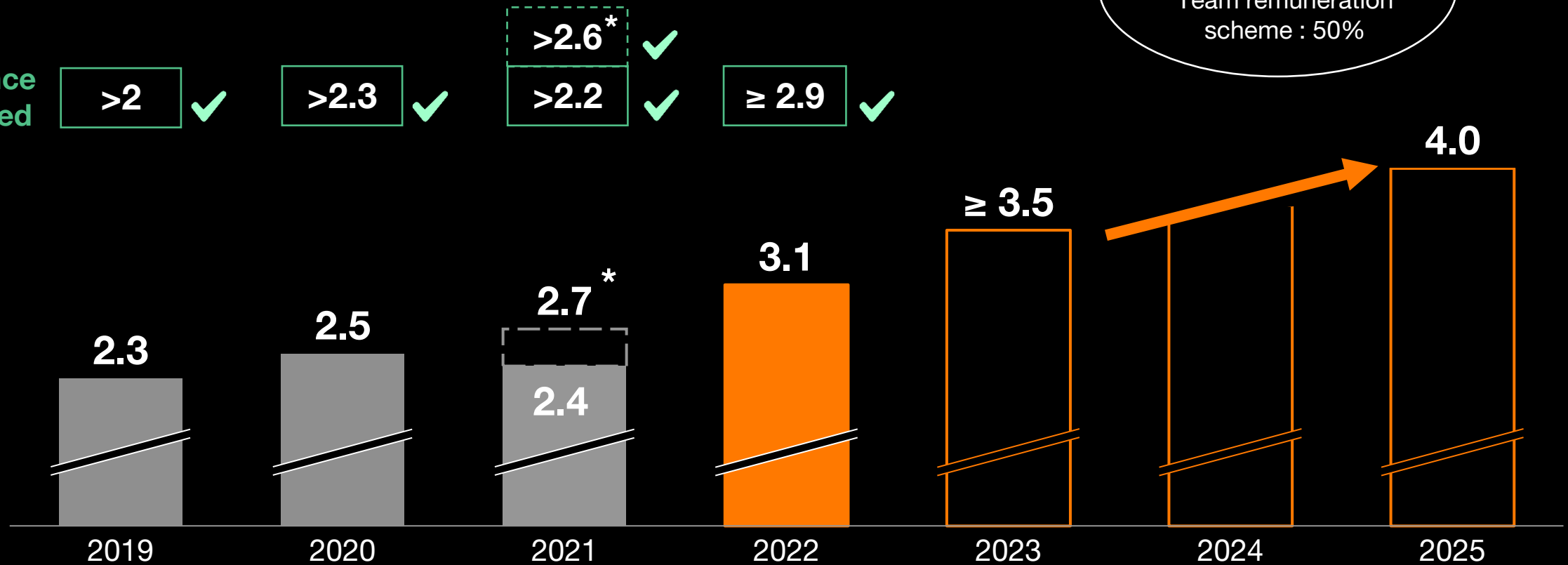
>2.3

>2.6*

>2.2

≥ 2.9

Organic Cash Flow
weight on Executive
Team remuneration
scheme : 50%



*Before allocation of the tax refund received in 2020

Q&A