



Orange signs a joint agreement to acquire SFR, a decisive step that will reinforce its leadership in France

Orange, alongside Bouygues Telecom and the Free-iliad Group (taken as a group, the “Consortium”), today announce the signing of a Memorandum of Understanding with Altice France for the acquisition of SFR¹, France’s second-largest telecommunications operator.

This acquisition is in line with Orange’s consolidation strategy in Europe and will enable the Group to reinforce its leadership position in the French market. Once completed, the operation will accelerate value creation for the Group’s stakeholders and will strengthen its capacity to invest in digital infrastructure and services.

This transformational transaction would preserve a highly competitive ecosystem and reinforce the sector’s long-term capacity to invest, innovate and anticipate major technological changes. By enabling each operator to scale up and boost their investment capabilities, this transaction is intended to support the development of more resilient, sovereign and high-performing digital and electronic communications services and infrastructure in France.

The Consortium is paying special attention to the social implications of this operation. The success of a project of this scale depends first and foremost on the women and men who know the networks, systems, customers and local areas. Migrating millions of subscribers, infrastructure and systems is a multi-year industrial program. Service continuity for subscribers depends directly on the skills of the SFR teams, and the Consortium will need their expertise to successfully complete this transformation under the best possible conditions. Furthermore, the Consortium will ensure employment for all the staff of the acquired scope until the beginning of 2029, either by allowing them to continue in their present position or providing them with a job opportunity. All three operators are committed to engaging in constructive dialogue with SFR’s employee representative bodies.

A strategic transaction strengthening Orange in France

As part of this agreement, Orange’s share of the total enterprise value (20.35 billion euros²) amounts to approximately 27%³, or 5.6 billion euros, subject to closing adjustments. These adjustments, which are contingent on SFR’s financial performance up until the closing of the transaction, include:

- A potential complementary price adjustment through an earn-out clause of up to approximately 0.2 billion euros for Orange,

¹ The perimeter of the transaction corresponds to Altice France – SFR assets, with the exclusion of holdings in the companies ACS/Intelcia, XP Fibre, UltraEdge and Altice Technical Services so as the Altice France Group businesses in overseas departments and regions of France.

² Including 0.1 billion euros payable by Orange upon the signature of the definitive legal documentation.

³ At closing, this percentage could vary depending on changes in the customer bases.

- A potential downward price adjustment and exit provisions under a safety clause, available to both Consortium members and Altice,
- Customary adjustment mechanisms of net debt based on closing accounts,
- Price adjustment mechanisms related to the seller's compliance with all relevant commitments (regulatory and investment) up until closing.

In the event of the agreement's termination before closing, break-up fees would be borne equally by the members of the Consortium including, under certain circumstances, in the event of a termination at the Seller's initiative. For Orange, such fees could range from approximately 0.03 billion euros up to, in case of signing, approximately 0.7 billion euros, depending on the initiating party, the timing and reasons for ending the agreement. The Consortium also benefits from the customary representations and warranties.

This transaction will enable Orange to acquire⁴ a significant portfolio of assets. These include:

- Approximately 4 million mobile customers (an 18% increase in the customer base for Orange in France) and 1 million fixed broadband customers (an 8% increase in the customer base for Orange in France). These include a portion of SFR-branded convergent and non-convergent customers, the entirety of SFR's prepaid customers, as well as all customers of the Coriolis, Syma and Réglo brands. These customers represented approximately 1.7 billion euros in revenue in 2025 and 0.6 billion euros in EBITDAaL⁵,
- An additional 47 MHz of spectrum (31% of SFR's portfolio), confirming Orange's position as France's leading operator in terms of spectrum portfolio, with a total of 221 MHz. This is a major asset that will enable the Group to continue to deploy its high-quality 5G network across the country.

A transaction creating sustainable value

The expected cost synergies for the acquired assets will exceed 0.5 billion euros per year on a run-rate basis from five years after closing. These synergies can be detailed as follows:

- ~60%: infrastructure and network optimisation,
- ~20%: efficiencies in IT and support functions,
- ~20%: optimisation of distribution assets.

These synergies are driven in particular by the migration of customers to a single infrastructure. They consist of 80% operating expense synergies and 20% capital expenditure synergies.

Estimated integration costs will be spread over a five-year period for a total of 1.3 billion euros.

Once the synergies have been achieved, EBITDAaL from the acquired assets would make a positive annual contribution of around 0.9 billion euros to Orange France's accounts.

⁴ Based on data communicated by Altice for end 2025.

⁵ Based on the accounts communicated by Altice, before adjustments (including for non-recurring items).

The transaction will be financed through debt. The Group confirms its medium-term objective of maintaining around 2x IFRS leverage, as well as its capital allocation policy, with a progressive increase in the dividend towards a floor of 0.85 euros per share in 2028 (payable in 2029).

Next steps

A consultation period now opens with the relevant employee representative bodies in order to engage a responsible and constructive dialogue and to ensure a successful outcome for all parties.

The transaction remains subject to the approval of the competent regulatory authorities. Each party will promptly initiate the necessary processes with the relevant authorities.

The signing of the definitive legal documentation is expected in the second half of 2026. The completion of the transaction could take place in the second half of 2027 once the required approvals, including from competition authorities, have been obtained.

At this stage, there is no certainty that the transaction will be completed.

Christel Heydemann, Chief Executive Officer of Orange, said: *“Today’s strategic announcement marks a decisive step in our most important market. This agreement is set to reinforce Orange’s leadership position in France and in Europe and will support the ambitions of our Trust the future plan. In an accelerating digital world, France needs operators capable of investing massively and sustainably in infrastructure and digital services.*

For all customers who will join Orange, this means the promise of access to the best networks, best-in-class customer service, and innovative digital services designed to meet their everyday needs. This is an ambitious industrial project that we will carry out together with all our teams in France.”

About Orange

Orange is one of the world’s leading telecommunications operators. The Group aims to be the trusted partner for everyday digital life by providing individuals, businesses and communities with reliable connectivity and innovative services. As of the end of 2025, Orange connects 340 million customers (including MasOrange) across 26 countries and generated 40.4 billion euros in revenues.

As a trusted player, Orange leverages the excellence of its very high-speed broadband networks to deploy digital infrastructure in Europe, Africa and the Middle East. The Group is a European leader in fiber, with 100 million connectable households, and convergent offers. In France, Orange connects 34 million customers and was ranked No. 1 by the regulator Arcep for the quality of its mobile network for the 15th consecutive year. In Africa and the Middle East, the Group’s growth engine, Orange serves nearly 180 million customers and promotes digital and financial inclusion through its connected solutions.

Under the Orange Business brand, the Group supports companies in transforming their networks as well as in AI, trusted cloud and cybersecurity. Orange is also a major player in the wholesale market, where it has a leading global telecom infrastructure and significant capabilities for deploying and operating submarine cables. A committed innovator, Orange relies on 700 researchers and holds a portfolio of 11,000 patents.

Orange is listed on Euronext Paris (symbol ORA). More information: www.orange.com.

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