

A close-up photograph of a person's hands interacting with a tablet. The person is wearing a light-colored, possibly pink, shirt. The tablet screen displays a bar chart with several vertical bars in shades of blue and green. The background is softly blurred, showing what appears to be a window with natural light.

# Orange Polska

## Governance Roadshow

March 2019



# 2018 guidance exceeded: adjusted EBITDA up 3% year-on-year

## 2018 guidance

### adjusted EBITDA\*

IAS18 – around PLN 3.0bn (stable vs 2017)

IFRS15 – around PLN 2.75bn

## FY 2018 results



PLN **3.1**bn\*\*  
+3.1% yoy vs -4.8% in 2017

**exceeded**



PLN **2.9**bn

## 2018 expectations

### revenues

lower pressure on revenues



PLN **11.3**bn\*\*  
-0.7% yoy vs -1.4% in 2017

**met**

### adjusted capital expenditures\*

PLN 2.0-2.2bn, including 700-800m on fibre rollout



PLN **2.25**bn  
(including 0.7bn on fibre rollout)

**met**

### net debt to adjusted EBITDA

IAS18 - not higher than 2.6x

IFRS15 - not higher than 2.8x



**2.2**x\*\*

**met**



**2.4**x

# 2018 achievements are a consequence of well implemented strategy



**B2C**

**Households conquest through convergence and fibre**



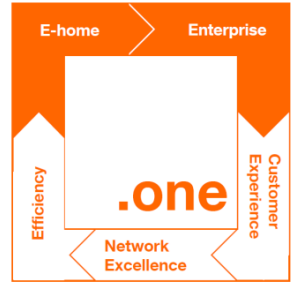
**B2B**

**Development of competencies to support digital transformation of our customers**



**Efficiency**

**Business transformation through simplification**



**Value**



**Simplicity**



**Focus**

# 2020 financial ambitions confirmed...



		2018	2019	2020
<b>Revenue</b>	Growth areas to increasingly offset pressure on legacy	approached stabilisation	–stabilisation* growth	growth
<b>EBITDAaL</b>	To be supported by better revenue trend, operating leverage and continued cost optimisation	–stabilisation* growth**	growth	growth
<b>CAPEX</b>	Reflects connectivity programme and business transformation needs	PLN2.1bn	PLN2.0-2.1bn	PLN~2.0bn
<b>Net debt</b>	Decreasing from 2019			

\* As presented during strategy presentation in September 2017

\*\* Adjusted EBITDA growth under IAS18

# ...with 2019 guidance as an interim step

IFRS 16

	2018 (IFRS15)	2018 comparable basis (IFRS16)	2019 guidance
<b>EBITDAaL</b>	PLN 2,881m*	PLN 2,811m**	Growth vs 2018
<b>Revenues</b>	PLN 11,101m	PLN 11,101m	<b>2019 expectations</b> <ul style="list-style-type: none"> <li>▪ Growth vs 2018</li> <li>▪ Further focus on convergence and value strategy</li> <li>▪ Legacy revenue (PSTN, wholesale) in continued structural decline but at a diminishing pace</li> </ul>
<b>adjusted capex</b>	PLN 2.25bn*	PLN 2.11bn	PLN 2.0-2.1bn, including 700-800m on fibre rollout (0.8-0.9m new households connectable in fibre)
<b>Net debt to EBITDAaL</b>	2.4x	2.4x **	Decreasing
<b>Dividend</b>	Unchanged approach to dividends		

\* adjusted EBITDA as presented on slide #3

\*\* EBITDAaL - (EBITDA after leases) new main profitability measure since 2019

## Key Resolutions for the Annual General Assembly (24 April)

- **Approval of the Management Board's Report on the activity of Orange Polska Group in 2018**
- **Approval of the Orange Polska Group financial statements for the year 2018 financial year**
- **Distribution of the Orange Polska S.A. profit from previous years**
- **Granting approval of performance of management board members and Supervisory Board members duties in the 2018 financial year**
- **Re-election of 5 Supervisory Board members and election of 2 new members**

## Unchanged approach to dividends

**As we prioritise investments in long-term value creation and also taking into account uncertain outlook regarding 5G spectrum allocation, the management will not recommend paying any dividend in 2019**

**(in line with what was stated during strategy presentation in September 2017)**

**The company intends to go back to dividends in the future based on sustainable and transparent dividend policy**

## Members to be re-elected to the Supervisory Board at the AGM

- Re-election of five members for a new three-year term:
  - Maciej Witucki – Non-independent member
  - Eric Debroeck - Non-independent member
  - Michał Kleiber – **Independent member**
  - Gervais Pallissier - Non-independent member
  - Marc Ricau - Non-independent member

## New members proposed as candidates to the Supervisory Board at the AGM

- Election of two new members for a three-year term:
  - Monika Nachyła - **Independent member**
  - Jean-Michel Thibaud – Non-independent member



# Supervisory Board Composition (as at the end of December 2018)

## 14 members, 4 independent

- |                           |                                     |                                 |                      |
|---------------------------|-------------------------------------|---------------------------------|----------------------|
| 1. Maciej Witucki         | - Chairman of the Supervisory Board |                                 |                      |
| 2. Gervais Pellissier     | - Deputy Chairman                   | 9. John Russell Houlden         | - Independent Member |
| 3. Marc Ricau             | - Secretary                         | 10. Prof. Michał Kleiber        | - Independent Member |
| 4. Dr. Henryka Bochniarz  | - Independent Member                | 11. Patrice Lambert de Diesbach | - Board Member       |
| 5. Thierry Bonhomme       | - Board Member                      | 12. Dr. Maria Paśło-Wiśniewska  | - Independent Member |
| 6. Federico Colom Artola* | - Board Member                      | 13. Dr. Wiesław Rozłucki*       | - Board Member       |
| 7. Eric Debroeck          | - Board Member                      | 14. Jean-Marc Vignolles         | - Board Member       |
| 8. Ramon Fernandez        | - Board Member                      |                                 |                      |

Until November 9, 2018, Orange Polska had five independent members on the Supervisory Board. On that day Dr. Wiesław Rozłucki lost his status of independent member after sitting on Orange Polska Supervisory Board more than twelve years

\* On March 22, 2019, the Company received resignations of two persons: Dr. Wiesław Rozłucki and Mr. Federico Colom Artola from their positions as Members of the Supervisory Board of Orange Polska S.A. Both with effect on the day of the Annual General Meeting approving financial statements for 2018.

Dr. Wiesław Rozłucki is leaving Orange Polska Supervisory Board after more than twelve years as he no longer has the status of its independent member. Mr. Federico Colom Artola will be assuming other duties within the Orange Group.

# The Committees of the Supervisory Board (as at the end of December 2018)

## The Audit Committee

67% Independent

1. John Russell Houlden – Chairman and **Independent Member**
2. Dr. Maria Pasło-Wiśniewska - **Independent Member**
3. Prof. Michał Kleiber - **Independent Member**
4. Federico Colom Artola
5. Marc Ricau

## The Remuneration Committee

25% Independent

1. Dr. Wiesław Rozłucki – Chairman
2. Thierry Bonhomme
3. Dr. Maria Pasło-Wiśniewska - **Independent Member**
4. Marc Ricau

## The Strategy Committee

43% Independent

1. Jean-Marc Vignolles – *Chairman*
2. Dr. Henryka Bochniarz - **Independent Member**
3. Eric Debroeck
4. Prof. Michał Kleiber - **Independent Member**
5. Patrice Lambert de Diesbach
6. Dr. Maria Pasło-Wiśniewska - **Independent Member**
7. Gervais Pellissier

## Attendance on the Board/Committees meetings in 2018

	SUPERVISORY BOARD	AUDIT COMMITTEE	STRATEGY COMMITTEE	REMUNERATION COMMITTEE
Maciej Witucki	5/5			
Gervais Pellissier	4/5		2/3	
Marc Ricau	5/5	7/7		4/4
Henryka Bochniarz	5/5		3/3	
Thierry Bonhomme	2/3			2/2
Federico Colom Artola	5/5	6/7		
Jean-Marie Culpin	2/2		1/1	
Eric Debroeck	5/5		3/3	
Ramon Fernandez	4/5			
Russ Houlden	5/5	7/7		
Michał Kleiber	5/5	7/7	3/3	
Patrice Lambert-de Diesbach	4/5		3/3	
Maria Pasło-Wiśniewska	5/5	7/7	3/3	4/4
Wiesław Rozłucki	5/5			4/4
Valérie Théron	5/5			2/2
Jean-Marc Vignolles	3/3		2/2	

\* Actual number of meetings attended

\* Maximum number of scheduled meetings which the directors could have attended

## Maciej Witucki – proposed to be re-elected on Orange Polska Supervisory Board since September 2013



**Maciej Witucki** (born in 1967), graduated from the Poznań Technical University specialising in logistics and decision support systems. He completed post-university studies in industrial systems management at the Ecole Centrale in Paris. He began his professional career in Cetelem Bank (the Paribas Group), first in France, then in Poland. In 2001, he became a Management Board Member, and in 2005 the President of Lukas Bank (the Crédit Agricole Group).

He joined Orange Group in 2006: between 2006 and 2013 held the position of the President of the Management Board, and on September 19, 2013 was appointed the President of the Supervisory Board.

From January 2016 to February 2018 Maciej Witucki was the President of Management Board of Work Service S.A. He is a member of the supervisory board of AXA Polska S.A. He was the President of the Chamber of the French Commerce and Industry in Poland (CCIFP) from 2010 to 2017. He is the Chairman of the Programming Council of Polish Civic Forum, a member of the Board of Directors of the Atlantic Council of the United States, and a member of the management board of PKPP Lewiatan, as well as, the management board member of Prof. Bronislaw Geremek Centre Foundation.

## Gervais Pellissier - proposed to be re-elected on Orange Polska Supervisory Board since April 2013



**Gervais Pellissier** (born in 1959) graduated from l'Ecole des Hautes Etudes Commerciales (HEC Paris), with a degree in International Management (joint diploma of HEC, Berkeley University, USA and University of Cologne, Germany) and a bachelor's degree in law.

He joined France-Telecom Orange in October 2005 to oversee the integration of Group companies in Spain, and subsequently became Group Chief Financial Officer.

Prior to that, he was Managing Director and Deputy CEO of the Bull Group, where he held various positions between 1983 and 2005.

In 2009, Gervais Pellissier was appointed Deputy CEO in charge of Group Finance and Information Systems.

In November 2011, he became Orange's Chief Executive Officer Delegate (corporate officer) in charge of Finance & United Kingdom JV.

On September 1st, 2014, Gervais Pellissier was appointed Orange Group's Deputy Chief Executive Officer in charge of European operations.

In May 2018, he took over new responsibilities in the Orange Group Executive Committee as the Group's Deputy CEO for Transformation, as well as Chairman of Orange Business Services.

## Marc Ricau - proposed to be re-elected on Orange Polska Supervisory Board since October 2012



**Marc Ricau** (born in 1960) has been working in France Telecom Orange group since 1986. He is graduate of IEP (Science Po Paris) & ENSPTT School and has a master degree in statistical and software techniques. He took different positions during his professional career in telecommunications area both abroad, as managing director of FCR consulting in Mexico, and in France, mainly in commercial areas and customer services but also in finance and network management.

Marc joined Orange AMEA (Africa, Middle East and Asia) in 2009, as Country and Partnerships Vice-President for the zone and was a member of several boards of subsidiaries in Africa (Orange Mali, Orange Guinea, Orange Niger, Orange Bissau and Sonatel Multimedia) until early 2013. He was also responsible for the development of new projects and businesses, mainly focused on improving the daily life of population in developing African countries in the areas of telco services in agriculture, health, education and entrepreneurship, among others.

In November 2012, Marc joined the Orange Europe Division as Vice-President of Poland Operations and simultaneously became a member and Secretary of the Supervisory Board of Orange Polska as well as a member of the Audit Committee and Remuneration Committee of Orange Polska. In July 2015, he was also appointed member of the Board of Directors of Orange Slovensko s.a. Marc is currently responsible for the support of Operations in Poland and in Slovakia within the Europe Division. He is also a member of the Board of Directors of Nadacia Orange (Orange Fundation) in Slovakia.

## Eric Debroeck - proposed to be re-elected on Orange Polska Supervisory Board since April 2013



**Eric Debroeck** (born in 1958), Senior Vice President Group regulatory affairs at France Telecom – Orange since mid-2004. From 2000 to mid-2004, Director of national carrier services, the business entity in charge of wholesale business activities with national competitors. Prior this period, held diverse management positions within France Telecom in the areas of corporate strategy, national and European regulation. Eric Debroeck graduated from Ecole Polytechnique and Ecole Nationale Supérieure des Télécommunications..

## Michał Kleiber - proposed to be re-elected (independent) on Orange Polska Supervisory Board since April 2014



**Professor Michał Kleiber** (born in 1946) is a graduate of the Warsaw University of Technology and the University of Warsaw, a specialist in the field of information technology, materials science, future studies and innovative economy. In the years 2007-2015 he was President of the Polish Academy of Sciences (PAS), in 2006-2010 Advisor to the President of Poland, in 2001-2005 Minister of Science and Information Technology in the Polish government, in 1996-2001 director of the PAS Institute of Fundamental Technological Research, where he currently works at the Department of Computer Science and Computational Methods Department.

For more than 10 years he worked at universities in Germany, USA, Japan and Hong Kong. Doctor honoris causa of universities in five European countries. Vice-President of the European Academy of Sciences and Arts, President of the European Community on Computational Methods in Applied Sciences (ECCOMAS), President of the European Materials Forum (EMF) and Vice-President of the Polish UNESCO Committee. Editor-in-Chief of Archives of Computational Methods in Engineering (Springer), the world's most cited journal in its field.

Former Chairman of the Offset Committee in the Polish Government, Chairman of the Future Studies Committee of PAN, Member of the European Research Council, European Commission, Ambassador for the New Narrative for Europe, European Commission, member of the Senate of the German National Academy of Sciences, member of the Austrian Academy of Sciences and Academia Europaea.

In the years 2008-2010 coordinator of the National Foresight Program Poland 2020, in the years 2008-2014 Vice-Chairman of the Council on Low-Emission Economy Development, an advisory body for the Minister of Economy. From 2012, member of a group preparing for the European Commission a document entitled "A New Narrative for Europe", in 2015 nominated as Ambassador of EU for this initiative. The knight of the Order of the White Eagle (the highest decoration of Poland). Recipient of high national decorations conferred on him in France, Japan, Belgium and Greece, of the Weimar Triangle Award and the title E-economy Ambassador awarded by the Association of Polish Banks.



# Monika Nachyła

## new candidate to Orange Polska Supervisory Board (independent)



**Monika Nachyła** (born in 1968), non-executive director with many years of international, C-suite experience in the areas of private equity, investor relations, banking, operational financial management and strategy development. Ms. Monika Nachyła is a graduate of the Warsaw School of Economics. She holds also post-graduate diplomas in social psychology and agriculture.

She began her professional career as an auditor at Arthur Andersen in Warsaw and Salustro Reydel in Paris. Between 1995 and 2000, she held the position of CFO at Sanofi-Synthélabo, greatly contributing to its success as one of the major players in the pharmaceutical market in Poland.

From 2000 to 2011, she has been active in the private equity sector. As the Vice President for Portfolio & Fund Operations of Innova Capital she supervised its portfolio companies. Subsequently, as the Partner in charge of Investor Relations at Enterprise Investors, she was responsible for fundraising and investor relations. In 2011, she joined the Supervisory Board of one of the leading Polish banks BGŻ (controlled by Rabobank; currently BNP Paribas) as a non-executive director of the Supervisory Board and an Audit Committee. From 2013 to 2015, she served as the Vice President of BGŻ Management Board responsible for the strategy and development as well the bank's strategic agribusiness division.

Since May 2017, she is a Partner at Abris Capital Partners, private equity fund manager investing in Central Europe, where she has been responsible for investor relations, public relations, ESG (responsible investing standards) and supervision of selected portfolio companies. She is also a member of the Abris Management Committee.

She acted as a non-executive director of multiple supervisory boards (BGŻ BNP Paribas, Allianz Polska, Euler Hermes Polska, Mykogen), focusing on monitoring of the key performance indicators (KPI), shareholders value creation and senior management coaching. At the Polish Private Equity and Venture Capital Association, she chaired the Corporate Governance Committee and was a member of the Investor Relations Taskforce.

At present, she serves as a member of the Supervisory Board and the Risk Committee of Bank BGŻ BNP Paribas, a member of the Supervisory Board of Graal and the Chairwoman of the Supervisory Board of Velvet Care. In addition, she is a member of the Board and the ESG Committee at the Polish Private Equity and Venture Capital Association.

# Jean-Michel Thibaud

## new candidate to Orange Polska Supervisory Board



**Jean-Michel Thibaud** (born 1969), Orange Group Deputy CFO in charge of controlling. He is a graduate from Centrale-Supélec engineer school and from Sciences Po Paris. He started his career spending 7 years in the banking business in export, structured and project finance.

He joined Orange in 2001 as manager then head of project finance, and became the Orange Group Treasurer in 2008 until 2012, covering debt raising (bonds, corporate, project, structured finance), relationship with rating agencies, and equity capital markets as well as cash management and customer financing.

Between 2013 and 2019, he acted as CFO and Senior VP, Strategy, Transformation & General Services at Orange Business Services. Orange Business Services is a worldwide provider of IT & Telecom services for large corporates with € 7.3 bn revenues and 25,000 people.

# Q&A