

Press release

Paris, August 30, 2023, 8:00 a.m.

# Further market share gains in first-half 2023

 Financial release

The Iliad Group's results for the first half of 2023 confirm our unique growth model in Europe and corroborate our investment strategy. We gained further market share in all of our segments, and continued to outperform our industry in Europe in terms of revenue growth. This growth has enabled us to keep up a sustained level of capital expenditure and reinforce our financial structure.

Consolidated revenues advanced 10.4%<sup>1</sup> to €4.44 billion in the first half of 2023 (8.0%<sup>1</sup> in the second quarter), with sales rising 7.7% in France, 12.2% in Italy and 17.9%<sup>2</sup> in Poland.

In France, Free delivered another robust sales performance, recording 128,000 net new Mobile subscribers (187,000 4G/5G subscribers) and 42,000 net new broadband and ultra-fast broadband subscribers (205,000 on Fiber). Free ended the second quarter of 2023 as France's leader for net adds. This performance confirms the brand power of Free, whose unique value-for-money offerings have stood out all the more in the inflationary environment of the past few months.

In Italy, as has been the case every quarter since its launch in 2018, Iliad Italia retained its leading position for net adds in the Mobile business in second-quarter 2023, with 267,000 net new subscribers, and recorded 18,000 net adds for Fiber.

In Poland, sales performance for Mobile rose quarter on quarter, with 77,000 net adds in the second quarter, driven by a strong performance for postpaid plans (up 98,000), which offset the impact of the prepaid segment returning to more normal levels (down 21,000). In the Fixed segment, net adds came to 19,000 – a moderate increase mainly led by refocusing sales offerings on the PŚO network, but not yet reflecting the full potential of our convergent offers.

Despite inflation and the increase in energy prices, consolidated EBITDAaL rose 4.1%<sup>3</sup> in the first half of the year. This rise was fueled partly by our solid sales growth and partly by the strong operating leverage we have in Italy, thanks to the rapid rollout of our mobile network.

---

<sup>1</sup> 7.5% on an organic pro forma basis, and 7.1% for Q1 2023

<sup>2</sup> 5.6% on an organic pro forma basis

<sup>3</sup> 1.3% on an organic pro forma basis

Consolidated capex totaled €1.04 billion in the first half of 2023, representing 23.4% of revenues, slightly up year on year (+1.9%<sup>4</sup>). **This capex level reflects high demand for our services in both the B2C market (latest-generation Freeboxes, set-top box upgrades in Poland, very robust growth for Fiber in France and Italy) and in the B2B market (especially Freebox Pro, Expert Solutions and Public Cloud), with investment particularly focused on our data centers (extensions, densification, upgrades).**

**Operating free cash flow<sup>5</sup> rose by €45 million, or 8.1%<sup>6</sup>, year on year to €602 million. This increase was propelled by Italy, whose negative contribution was significantly lower in H1 2023 than in the first six months of 2022.**

The Group reinforced its financial structure during the period, reducing its leverage ratio to 3.1x at end-June 2023 from 3.2x at end-December 2022. The 0.1x decrease is attributable to the proceeds received from the sale of a 50% stake in PŚO – our Fiberco in Poland – and to the year-on-year increase in EBITDAaL. **Our liquidity position remains excellent, with €4.2 billion available at end-June. The maturity date for a significant portion (€2.7 billion) of this amount has been extended by 12 months following amend and extend agreements signed in July 2023.**

On the environmental front, the Group completed two major steps during the second quarter: (i) it presented its emissions-reduction pathway for validation by the SBTi, and (ii) it submitted the annual CDP questionnaire. Then, in early July, we published the results of our France 2023 employee survey, recording excellent results with an overall satisfaction rate of 82%.

**Commenting on the Group's performance, Thomas Reynaud, Iliad's Chief Executive Officer, said: "Our first-half results reflect an acceleration of our businesses in our three host countries, France, Poland and Italy. And although we must remain cautious in a macro economic context that is still full of uncertainty, Iliad's business model is proving its resilience."**

---

<sup>4</sup> -0.2% on an organic pro forma basis

<sup>5</sup> EBITDAaL less capex (excluding payments for frequencies)

<sup>6</sup> 4.1% on an organic pro forma basis

## Key operating performance indicators<sup>1</sup> at June 30, 2023

France (figures in thousands unless otherwise stated)	Q2 2023	Q1 2023	QoQ change
Number of Mobile subscribers	14,518k	14,390k	128k
- Of which Free 4G/5G package (incl. French overseas DOM/TOM)	10,584k	10,397k	187k
- Of which on the voice-based plan	3,934k	3,993k	-59k
Number of Broadband and Ultra-Fast Broadband subscribers	7,264k	7,222k	42k
- Of which Fiber	5,072k	4,870k	202k
Fiber take-up rate	69.8%	67.4%	+240bps
Number of connectible Fiber sockets (in millions)	33.5m	32.5m	+1.0m
<b>Total number of subscribers - France</b>	<b>21,782k</b>	<b>21,612k</b>	<b>170k</b>
	Q2 2023	Q2 2022	YoY change
Broadband and Ultra-Fast Broadband ARPU (in €) <sup>1</sup>	34.6	33.4	+3.6%
Mobile ARPU billed to subscribers (in €) <sup>1</sup>	12.0	11.5	+4.5%
Italy (figures in thousands)	Q2 2023	Q1 2023	QoQ change
Number of Mobile subscribers	10,116k	9,849k	267k
Number of Fiber subscribers	149k	131k	18k
<b>Total number of subscribers - Italy</b>	<b>10,265k</b>	<b>9,980k</b>	<b>285k</b>
POLAND (figures in thousands unless otherwise stated)	Q2 2023	Q1 2023	QoQ change
Number of active Mobile subscribers	12,909k	12,832k	77k
- Of which on plans	9,157k	9,060k	98k
- Of which prepaid	3,752k	3,773k	-21k
Number of Fixed subscribers	2,065k	2,046k	19k
<b>Total number of subscribers - Poland</b>	<b>14,974k</b>	<b>14,878k</b>	<b>96k</b>
	Q2 2023	Q2 2022	YoY change
Mobile ARPU billed to subscribers (in PLN)	29.6	28.8	+2.8%
GROUP (figures in thousands)	Q2 2023	Q1 2023	QoQ change
Number of Mobile subscribers	37,543k	37,071k	472k
Number of Fixed subscribers	9,478k	9,399k	79k
<b>TOTAL NUMBER OF SUBSCRIBERS</b>	<b>47,021k</b>	<b>46,471k</b>	<b>551k</b>

<sup>1</sup> See glossary for definitions

## First-half/Second-quarter 2023 revenues

The table below shows the breakdown of consolidated revenues by category for the six-month and three-month periods ended June 30, 2023 and June 30, 2022.

<i>In € millions</i>	H1 2023	H1 2022	% change	Q2 2023	Q2 2022	% change
<b>Consolidated revenues</b>	<b>4,443</b>	<b>4,024</b>	<b>+10.4%</b>	<b>2,256</b>	<b>2,090</b>	<b>+8.0%</b>
Consolidated services revenues <sup>1</sup>	4,113	3,756	+9.5%	2,095	1,955	+7.1%
Consolidated revenues from devices	347	276	+25.4%	175	140	+25.4%
<i>Intra-group sales</i>	(17)	(9)	+89.5%	(12)	(5)	+143.1%
<b>Revenues – France</b>	<b>2,918</b>	<b>2,710</b>	<b>+7.7%</b>	<b>1,476</b>	<b>1,370</b>	<b>+7.7%</b>
- Services	2,793	2,611	+7.0%	1,417	1,322	+7.2%
- Devices	134	101	+32.9%	67	50	+34.3%
- Intra-group sales	(10)	(3)	+259.9%	(8)	(1)	+482.9%
<b>Revenues – Italy</b>	<b>496</b>	<b>442</b>	<b>+12.2%</b>	<b>254</b>	<b>228</b>	<b>+11.8%</b>
- Services	488	440	+11.0%	252	227	+9.7%
- Devices	8	2	NM	5	0	NM
<b>Revenues – Poland<sup>2</sup></b>	<b>1,036</b>	<b>879</b>	<b>+17.9%</b>	<b>529</b>	<b>495</b>	<b>+6.9%</b>
- Services	831	705	+17.9%	426	405	+5.1%
- Devices	205	174	+18.1%	103	90	+15.2%

(1) Excluding intra-group sales.

(2) EUR/PLN: 4.6244 in H1 2023 and 4.6354 in H1 2022.

## Key financial performance indicators in first-half 2023

<i>In € millions</i>	<b>H1 2023</b>	<b>H1 2022</b>	% change
<b>Consolidated revenues</b>	<b>4,443</b>	<b>4,024</b>	<b>+10.4%</b>
France	2,918	2,710	+7.7%
Italy	496	442	+12.2%
Poland	1,036	879	+17.9%
<i>Intra-group sales</i>	(7)	(6)	+15.4%
<b>Consolidated EBITDAaL</b>	<b>1,642</b>	<b>1,577</b>	<b>+4.1%</b>
France	1,110	1,091	+1.7%
Italy	117	87	+34.5%
Poland	415	399	+3.9%
<b>Consolidated capex<sup>1</sup></b>	<b>1,040</b>	<b>1,020</b>	<b>+1.9%</b>
France	785	716	+9.7%
Italy	122	198	-38.3%
Poland	133	107	+24.5%
<b>Operating free cash flow (<i>EBITDAaL less capex</i>)</b>	<b>602</b>	<b>557</b>	<b>+8.1%</b>
France	325	375	-13.4%
Italy	(5)	(110)	-95.8%
Poland	282	293	-3.6%
	<b>June 30, 2023</b>	<b>Dec. 31, 2022</b>	<b>Year-on- year change</b>
Net debt	10,472	10,815	-343
LTM <sup>2</sup> EBITDAaL	3,368	3,346	+22
Leverage ratio (LTM EBITDAaL)	3.1x	3.2x	-0.1x

EUR/PLN exchange rate: 4.6244 in H1 2023 and 4.6354 in H1 2022.

(1) Excluding payments for frequencies (2) LTM: Last Twelve Months and including UPC Polska.

# Glossary

**Alternative operator:** An operator that entered the market subsequent to the incumbent State operator losing its monopoly.

**Broadband and Ultra-Fast Broadband ARPU:** Includes revenues from the flat-rate package and value-added services but excludes one-time revenues (e.g., fees for migration from one offer to another or cancellation fees), divided by the total number of Broadband and Ultra-Fast Broadband subscribers billed for the last month of the quarter.

**Broadband and Ultra-Fast Broadband subscribers:** Subscribers who have signed up for the Group's ADSL, VDSL or FTTH offerings.

**Connectible Fiber socket:** A socket for which the link between the shared access point and the optical splitter has been put in place by the building operator, which the Group can access in accordance with its co-financing commitments, and for which the connection to the Group's network has been completed or is in progress.

**EBITDAaL:** Profit from ordinary activities before depreciation, amortization and impairment of property, plant and equipment and intangible assets, and the impact of share-based payment.

**Fiber take-up rate:** Represents the number of Fiber subscribers as a percentage of the total number of Broadband and Ultra-Fast Broadband subscribers

**FTTH:** Fiber To The Home: Data delivery technology that directly connects subscribers' homes to an optical node (ON).

**Leverage ratio:** Represents the ratio between net debt (short- and long-term financial liabilities less cash and cash equivalents) and EBITDAaL.

**Mobile ARPU billed to subscribers:** Includes revenues billed to subscribers divided by the total number of Mobile subscribers during the period.

**Net adds:** Represents the difference between the total number of subscribers at the end of two different periods.

**Number of active Mobile subscribers - Poland:** Represents, at the end of a given period, the total number of subscribers, identified by their telephone lines, who

have subscribed to a Play mobile offering (excluding M2M and free SIM cards) and who have issued or received at least one communication (voice or data) during the preceding 30 days.

**Number of Broadband and Ultra-Fast Broadband subscribers - France:** Represents, at the end of a given period, the total number of subscribers, identified by their telephone lines, who have subscribed to a Free Broadband or Ultra-Fast Broadband offering, excluding those recorded as having requested the termination of their subscription.

**Number of Fixed subscribers - Poland:** Represents, at the end of a given period, the number of subscribers who have signed up to a TV Box plan or a fixed Broadband or Ultra-Fast Broadband plan, excluding those recorded as having requested the termination of their subscription.

**Number of Mobile subscribers - France:** Represents, at the end of a given period, the total number of subscribers, identified by their telephone lines, who have subscribed to a Free mobile offering, excluding those recorded as having requested the termination of their subscription.

**Number of Mobile subscribers - Italy:** Represents, at the end of a given period, the total number of subscribers, identified by their telephone lines, who have subscribed to an Iliad Italia mobile offering and who have issued or received at least one communication during the preceding three months.

**Number of Ultra-Fast Broadband subscribers - Italy:** Represents, at the end of a given period, the number of subscribers who have subscribed to an Iliad Italia Ultra-Fast Broadband offering, excluding those recorded as having requested the termination of their subscription.

**Revenues billed to subscribers:** Revenues generated from services billed directly to subscribers (services included in subscribers' mobile plans, as well as additional services).

**Services revenues:** Revenues excluding sales of devices.

**Total number of subscribers - Poland:** Represents, at the end of a given period, the number of active Mobile subscribers in Poland and the number of Fixed subscribers in Poland.

## About the iliad Group

Created in the early 1990s, the iliad Group is the inventor of the world's first triple-play box and has grown into a major European telecoms player, standing out for its innovative, straightforward and attractive offerings. The Group is the parent of Free in France, iliad in Italy and Play in Poland, has over 16,700 employees serving 47.0 million subscribers, and generated €8.6 billion in revenues in the last 12 months. In France, the Group is an integrated Fixed and Mobile Ultra-Fast Broadband operator and had 21.8 million retail subscribers at June 30, 2023 (14.5 million Mobile subscribers and 7.3 million Fixed subscribers). In Italy – where the Group launched its business in 2018 under the iliad brand, becoming the country's fourth mobile operator with 13% of market share – it had more than 10.1 million Mobile subscribers at June 30, 2023. In Poland, the Group became an integrated convergent operator following the acquisition of UPC Polska in 2022, and at June 30, 2023 had more than 12.9 million Mobile subscribers and some 2.1 million Fixed subscribers. The iliad Group is Europe's sixth-largest operator by number of retail Mobile subscribers (excluding M2M) and Fixed Internet subscribers.

### Find out more at:

---

 [www.iliad.fr/en](http://www.iliad.fr/en)

### Follow us on:

---

 Twitter: [@Groupelliad](https://twitter.com/Groupelliad)

 LinkedIn: [Groupe iliad](https://www.linkedin.com/company/groupe-iliad)

### Contacts:

---

Investor relations: [ir@iliad.fr](mailto:ir@iliad.fr)

Press relations: [presse@iliad.fr](mailto:presse@iliad.fr)