

The iliad Group records solid first-quarter results

Financial release

The iliad Group delivered solid results in the first quarter of 2024, and consolidated its European leadership both in terms of revenue growth and Mobile and Fixed net adds. The iliad Group continued to win market shares in all of its segments and is standing by its targets of achieving €10 billion in revenues and becoming Europe's fifth-largest mobile operator in 2024.

Consolidated revenues rose 11.2%¹ to €2.43 billion in the first quarter, with growth led by each of our three geographies: **France recorded its strongest quarterly revenue growth for nearly 10 years (with revenues up 10.0%), revenues for Poland advanced 13.8%** (following a 10.2% increase in Q4 2023) with higher like-for-like growth (up 5.0% versus 3.0% in Q4 2023) and a favorable currency effect, and **Italy's revenue growth remained high, at 12.8%**.

In France, Free cemented its leading position in terms of net adds, both in the Mobile and Fixed markets and for Fiber. It gained 212,000 net new Mobile subscribers during the first quarter (239,000 on 4G/5G plans), while the successful launch of the Freebox Ultra underpinned growth in the Fixed market, with 85,000 net new Broadband and Ultra-fast Broadband subscribers, and 232,000 new Fiber subscribers. Some 75% of Free Mobile's subscribers are now on a 4G/5G plan and almost 77% of Freebox subscribers have Free Fiber – take-up rates that are particularly high and growing steadily, and which reflect the Group's continuous efforts to offer the best technologies at the best value for money.

In Italy, for the 24th consecutive quarter, iliad Italia was once again the net adds leader in the Mobile market, with 276,000 net new subscribers in the first quarter, allowing it to pass the 11 million Mobile subscribers mark. **And it was also the leader for net adds in the Fixed market** (out of Italy's top five telcos), notching up 38,000 new subscribers in the first quarter of 2024 – its best quarterly performance since it launched its Fixed offering in January 2022.

¹ 9.1% on a pro forma like-for-like basis in Q1 2024.

In Poland, Play delivered another solid sales performance, continuing to win market shares in the Mobile market (adding 73,000 net new Mobile subscribers) and once again ended the quarter with the market's highest number of net adds¹. Net adds in the Fixed segment came in at 14,000 units, representing moderate growth in a fiercely competitive market.

Consolidated **EBITDAaL** for the first quarter of 2024 rose **12.2% year on year to €878 million**². This rise was mainly led by France, which recorded a 15% increase in EBITDAaL, followed by Italy (up 11.7%). EBITDAaL for Poland was 5.5% higher, but decreased 2.5% in local currency following the service agreement set up with PŚO on April 1, 2022. The Group's EBITDAaL growth drove a 56% surge in profit for the period.

On a last-twelve-month basis (March 2023 to March 2024), the Group invested €1.88 billion in its infrastructure and network and subscriber equipment (of which €418 million in Q1 2024, representing a 24.4% decrease). We kept up our brisk momentum for 5G network roll outs in our geographies, as well as for our deployment of Fiber and equipment for our new B2C and B2B subscribers.

Operating free cash flow³ **doubled to €460 million, reinforcing the Group's financial structure with its leverage ratio reduced to 2.9x at end-March 2024** from 3.0x at end-2023. The Group is in an excellent liquidity position, with €1.1 billion in cash and cash equivalents and €3.1 billion in undrawn credit facilities at March 31, 2024. The Iliad Group became the main shareholder of the Tele2 group end of April with the closing of the second tranche of the transaction with the Kinnevik group, which resulted in the Iliad Group holding an 18.8% stake and 28.8% of the voting rights in Tele2. The shareholders at Tele2's Annual General Meeting, which took place on May 15, elected three Iliad Group management members to Tele2's Board of Directors: Thomas Reynaud (elected as Chairman of the Board), and Aude Durand and Jean-Marc Harion (elected as Board members). The financing of the transaction was carried out by Iliad Holding and the impact on its leverage was minimal (up 0.14x).

During the first quarter of 2024, the Iliad Group passed two major milestones in the implementation of its **Climate Plan**: the validation of our carbon reduction pathway by the Science Based Targets initiative (SBTi) and the signing of three new **power purchase** agreements in our three geographies.

Commenting on the Group's performance, Thomas Reynaud, Iliad's Chief Executive Officer, said: *"The first quarter of 2024 marked a very good start to the year for the Iliad Group. We delivered not only in terms of sales performance, by continuing to win market share, but also in terms of operating performance, by tightly controlling our costs. The Group is radically changing scale – from a technological perspective, thanks to our promising investments in the Freebox Ultra, the Cloud, AI and new data centers, and from a geographical perspective. Having become Tele2's reference shareholder, we are now present in eight European countries. Forming part of Europe's Top 5 telcos is within our reach, and as from this year!"*

¹ Internal estimates.

² 9.6% on a pro forma like-for-like basis in Q1 2024.

³ EBITDAaL less capex (excluding payments for frequencies).

Key operating performance indicators¹ at March 31, 2024

France (figures in thousands unless otherwise stated)	Q1 2024	Q4 2023	QoQ change
Number of Mobile subscribers	15,217	15,005	+212
<i>Of which on the 4G/5G Free Mobile plan (incl. overseas France)</i>	11,345	11,106	+239
<i>% of the Mobile subscriber base on the 4G/5G Free Mobile plan</i>	74.6%	74.0%	+60 pts
<i>Of which on the voice-based plan</i>	3,872	3,899	-27
Number of Broadband and Ultra-Fast Broadband subscribers	7,499	7,414	+85
<i>- Of which Fiber</i>	5,748	5,516	+232
Fiber take-up rate	76.6%	74.4%	+2.2 pts
Number of connectible Fiber sockets (in millions)	36.2m	35.3m	+0.9m
Total number of subscribers - France	22,716	22,419	+297
	Q1 2024	Q1 2023	YoY change
Broadband and Ultra-Fast Broadband ARPU (in €)	36.3	34.4	+5.6%
Mobile ARPU billed to subscribers (in €)	12.2	11.8	+3.3%

Italy (figures in thousands)	Q1 2024	Q4 2023	QoQ change
Number of Mobile subscribers	11,006	10,730	+276
Number of Fiber subscribers	245	207	+38
Total number of subscribers - Italy	11,251	10,937	+314

Poland (figures in thousands unless otherwise stated)	Q1 2024	Q4 2023	QoQ change
Number of active Mobile subscribers	13,172	13,099	+73
- <i>Of which on plans</i>	9,443	9,381	+62
- <i>Of which prepaid</i>	3,729	3,718	+11
Number of Fixed subscribers	2,073	2,059	+14
Total number of subscribers - Poland	15,245	15,158	+87
	Q1 2024	Q1 2023	YoY change
Mobile ARPU billed to subscribers (in PLN)	30.4	29.1	+4.6%

GROUP (figures in thousands)	Q1 2024	Q4 2023	QoQ change
Number of Mobile subscribers	39,395	38,834	+561
Number of Fixed subscribers	9,817	9,681	+137
TOTAL NUMBER OF SUBSCRIBERS	49,212	48,515	+698

¹ See glossary for definitions.

First-quarter 2024 revenues

The table below shows the breakdown of consolidated revenues by category for the first quarters of 2024 and 2023, as well as the percentage change between the two periods.

<i>In € millions</i>	Q1 2024	Q1 2023	% change
Consolidated revenues	2,431	2,186	+11.2%
Consolidated services revenues ¹	2,220	2,020	+9.9%
Consolidated revenues from devices	217	172	+26.5%
<i>Intra-group Sales</i> ²	(6)	(5)	+14.8%
Revenues - France	1,586	1,442	+10.0%
- Services ¹	1,489	1,376	+8.2%
- Devices	99	67	+47.1%
- Intra-group sales - France	(2)	(2)	+23.7%
Revenues - Italy	272	241	+12.8%
- Services	270	239	+13.0%
- Devices	2	3	-10.0%
Revenues - Poland³	577	507	+13.8%
- Services	461	405	+13.8%
- Devices	116	102	+13.8%

¹ Services revenue before Intra-group sales.

² Intra-group sales including France.

³ EUR/PLN exchange rate: 4.3333 for Q1 2024 and 4.68935 for Q1 2023

Key financial performance indicators in first-quarter 2024

<i>In € millions</i>	Q1 2024	Q1 2023	% change
Consolidated revenues	2,431	2,186	+11.2%
France	1,586	1,442	+10.0%
Italy	272	241	+12.8%
Poland	577	507	+13.8%
<i>Intra-group sales</i>	(4)	(3)	+16.0%
Consolidated EBITDAaL	878	783	+12.2%
France	573	498	+15.2%
Italy	71	64	+11.7%
Poland	233	221	+5.5%
Consolidated capex (excluding payments for frequencies)	418	553	-24.4%
France	278	442	-37.1%
Italy	80	59	+34.7%
Poland	60	52	+16.2%
Operating free cash flow (EBITDAaL less capex)	460	229	+100.5%
France	295	55	+433.4%
Italy	(8)	5	-275.9%
Poland	173	169	+2.2%
Profit for the period	93	59	+56.2%
	Mar. 31, 2024	Dec. 31, 2023	Change
Net debt	10,210	10,243	-33
LTM EBITDAaL ¹	3,539	3,444	+96
Leverage ratio	2.9x	3.0x	-0.1x

¹ LTM: last twelve months

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 or Alice Broadband or Ultra-Fast Broadband offering, excluding those recorded as having requested the termination of their subscription.

Number of Fixed-line subscribers - Poland: Represents, at the end of a given period, the number of subscribers who have signed up to a Telephone plan or a fixed Broadband/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 (B2C and B2B) 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' 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-line 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 is now 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 18,000 employees serving more than 49.2 million subscribers, and generated €9.5 billion in revenues in the twelve months ended March 31, 2024. In France, the Group is an integrated Fixed and Mobile Ultra-Fast Broadband operator and had 22.7 million subscribers at end-March 2024 (15.2 million Mobile subscribers and 7.5 million Fixed-line subscribers). In Italy, where it launched its business in 2018 under the Iliad brand, it is the country's fourth-largest mobile operator with nearly 14% of market share and had more than 11.0 million Mobile subscribers at end-March 2024. In Poland, the Group is an integrated convergent operator, and at end-March 2024 had 13.2 million Mobile subscribers and nearly 2.1 million Fixed-line subscribers. The Iliad Group is Europe's sixth-largest operator by number of retail mobile subscribers (excluding M2M) and its fifth-largest fixed broadband operator.

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 www.iliad.fr/en

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