

# Orange and MASMOVIL combine their operations in Spain to become a stronger market player

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MASMOVIL<sup>®</sup>

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23 July 2022

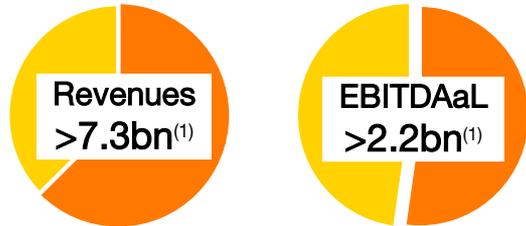
# Disclaimer

This presentation contains prospects, hypothesis, estimates and other forward-looking statements or anticipations that involve risks and uncertainties, including references concerning expected future savings, synergies, as well as its future positioning in the market, financial structure, growth and profitability, which could cause actual results to differ materially from those contained in such estimates and forward-looking statements.

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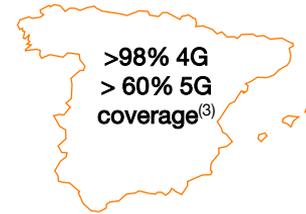
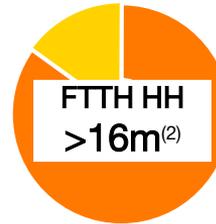
# A stronger integrated player combining scale and high growth potential

A sustainable player...



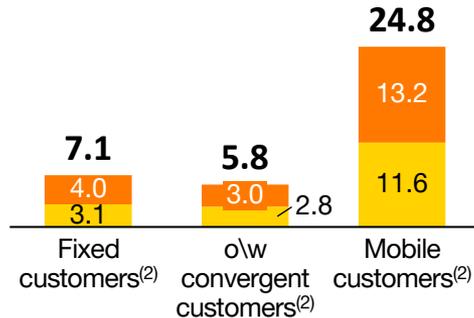
Orange Masmovil

with complementary assets and services...



**Multi-services:**  
green energy,  
financial services,  
home security,  
e-health...

...to serve the needs of all market segments



and further invest in the infrastructures in Spain



# Significant synergies with an annual run rate >450m€ from the 4th year post closing

60% of synergies are contractual/mechanical in nature

## Run rate synergies reached by year 4

**Network synergies**  **>€230m**

Mobile	>€135m
FTTH	>€85m
Transmission	>€10m

 e.g. joint deployment opportunities, rationalisation of mobile sites, sale of spectrum, transmission and wholesale contracts optimisation, indirect costs savings

**Sales, marketing & customer care**  **>€160m**

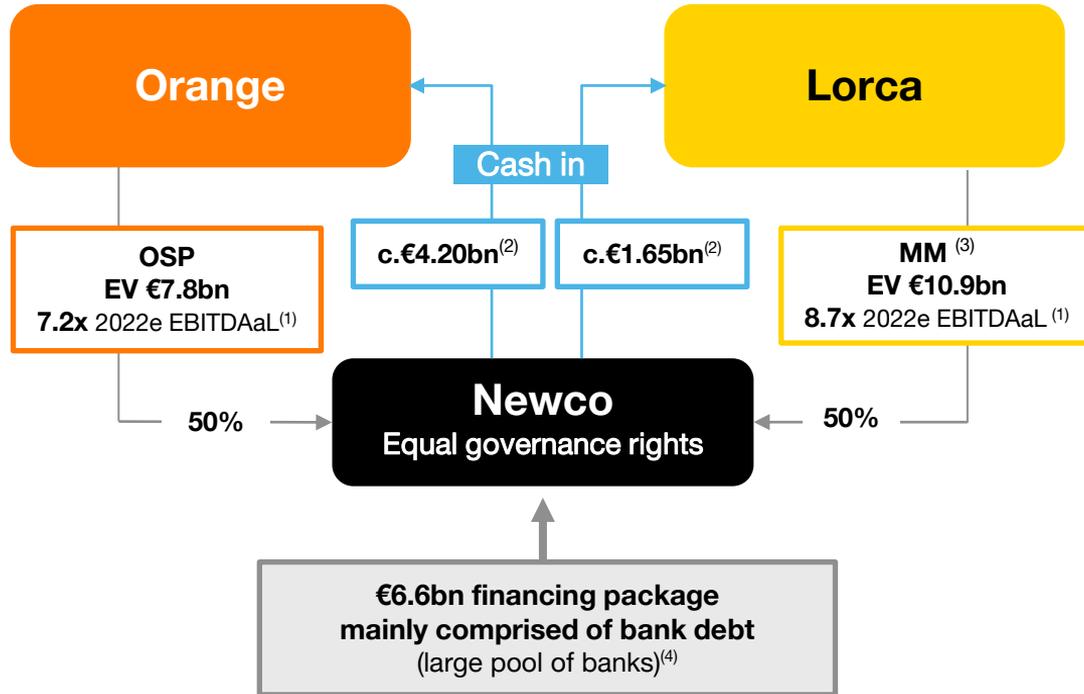
 e.g. best practice alignment, economies of scale, negotiation power for external services

**Others**  **>€60m**

 e.g. IT, G&A

**Total synergies**  
run rate in year 4 **>€450m**

# Balanced governance & secured financing



(1) Orange multiples are proforma and after TOTEM carve-out. Masmovil multiples are proforma with the acquisition of Euskatel (based on annualised synergies of Euskatel)

(2) Subject to final adjustments at closing

(3) MASMOVIL to be contributed by LORCA JVCO into NewCo with its current net debt

(4) Leverage ratio at closing <5x EBITDA (including synergies) with target of 3.5x in the mid-term to facilitate a potential IPO

# Next steps



\* Each party will have a right to trigger an IPO under certain conditions for both parties after a defined period and, in such a scenario, Orange will have an option to take control of the combined entity at IPO price.



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