

CAPITAL MARKETS DAY BOUYGUES TELECOM

15 JANUARY 2021



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Speakers



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CFO

Capital Markets Day - 15 January 2021

- | | | |
|-----------|-------------------------------|---|
| 01 | Bouygues Telecom | 25 Years Innovating to become a Star Performer |
| 02 | French Telecoms Market | A New Growth Era |
| 03 | Ambition 2026 | Becoming #2 in Mobile and a major player in fiber |
| 04 | Business | Proven levers and new initiatives |
| 05 | Financials | Delivering Profitable and sustainable Growth & Doubling Free Cash Flow |
| 06 | Conclusion | The Outperforming Telco in France and in Europe |

01

**Bouygues Telecom,
25 Years Innovating to become a
Star Performer**

1996-2021: 25 years innovating for our customers' benefit

1996
Launch



1996-2010

Make mobile accessible to everyone

- 1st mobile phone bundle**
- 1st mobile phone plan with unlimited voice**
- 1st mobile offer with "Internet"**

2010-2019

Popularize connectivity

- 1st mobile SOWO contract**
- 1st fixed Android Box**
- 1st fixed/mobile 4P offering**
- 1st fixed wireless 4G Box**
- 1st Netflix in Box**
- 1st Smart CAPEX deals**

2020+

Superior experience

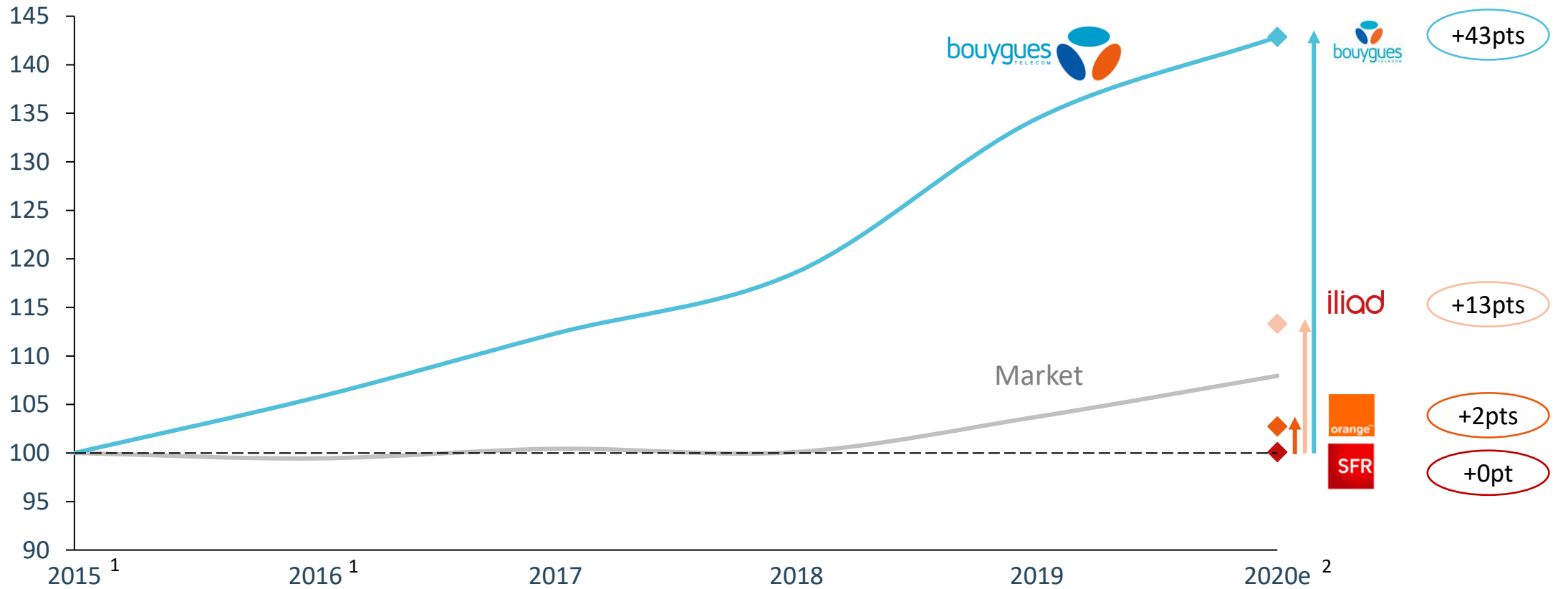
- 1st Smart TV virtual box**
- 1st combining 2.1/3.5GHz**
- 1st on handset collection**
- #1 in Wi-Fi quality of Box in the market**
- #1 B2B customer service**

Successful strategy: delivering growth in a stagnating market

Bouygues Telecom sales versus French telecom market

Base 100 in 2015, total sales

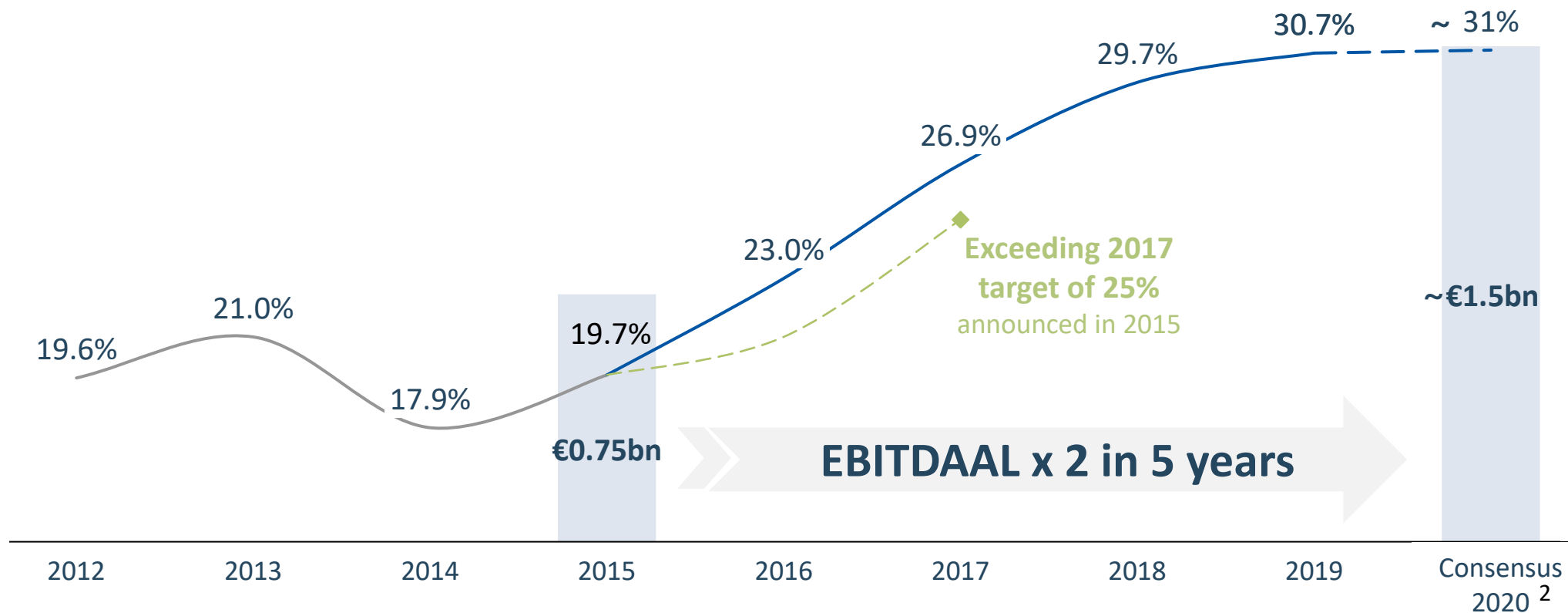
Change 2015-20



SOURCE: BASED ON THE TOTAL REVENUES OF THE FOUR NATIONAL TELECOM OPERATORS
NOTES: (1) BEFORE IFRS 15 (2) 2020 REVENUE OF OTHER PLAYERS ESTIMATED BASED ON Q32020 STATEMENT

Successful strategy: doubling EBITDAAL¹ in 5 years

EBITDAAL and EBITDAAL margin
in % of sales from services, in billion Euros

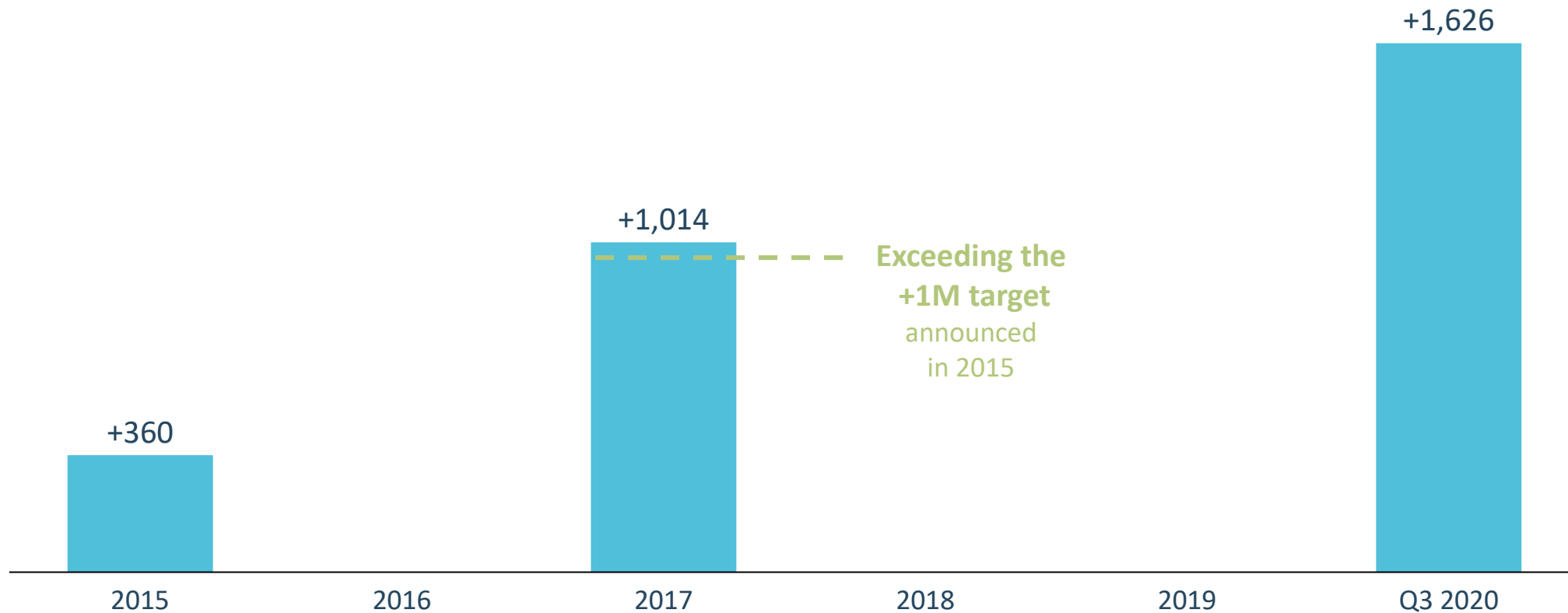


NOTES: (1) IN 2015 EBITDAAL WAS EQUIVALENT TO EBITDA (2) VISIBLE ALPHA CONSENSUS ON THE 01/07/21: SALES FROM SERVICES: €4.9BN, EBITDAAL: €1.5BN

Successful strategy: +1.6m of Fixed Broadband customers

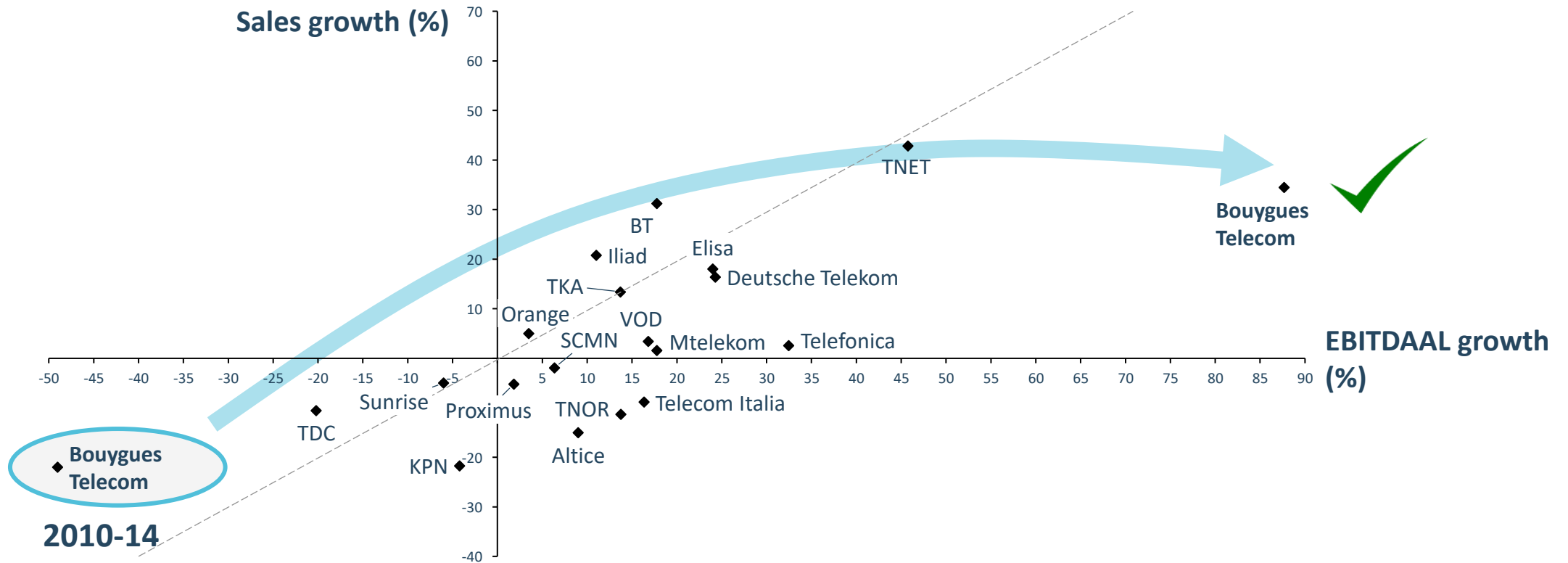
Bouygues Telecom Fixed Broadband customers cumulated net growth

Net Adds since end 2014 in thousands customers



Successful strategy: delivering on the 2015 promise to change quadrant

Sales and EBITDAAL growth of selected telecom operators¹
 2019 vs. 2015, Cumulated growth over 4 years



SOURCES: OPERATORS, ARTHUR D. LITTLE ANALYSIS

NOTE: (1) BASED ON TOTAL REVENUE REPORTED IN ANNUAL REPORTS

“Ambition 2026”, a strategic plan to accelerate growth

**French Telecoms
Market**

**New Era for
Growth**

Ambition 2026

**Our New Plan to
Accelerate Growth**

02

FRENCH TELECOMS MARKET: A New Growth Era

Increasing Needs for Connectivity that became vital since 2020



80%

of French people owned a smartphone in 2020 (*58% in 2015*)



41%

of French Homes connected to very high-speed internet in 2020 (*20% in 2017*)



10.2GB

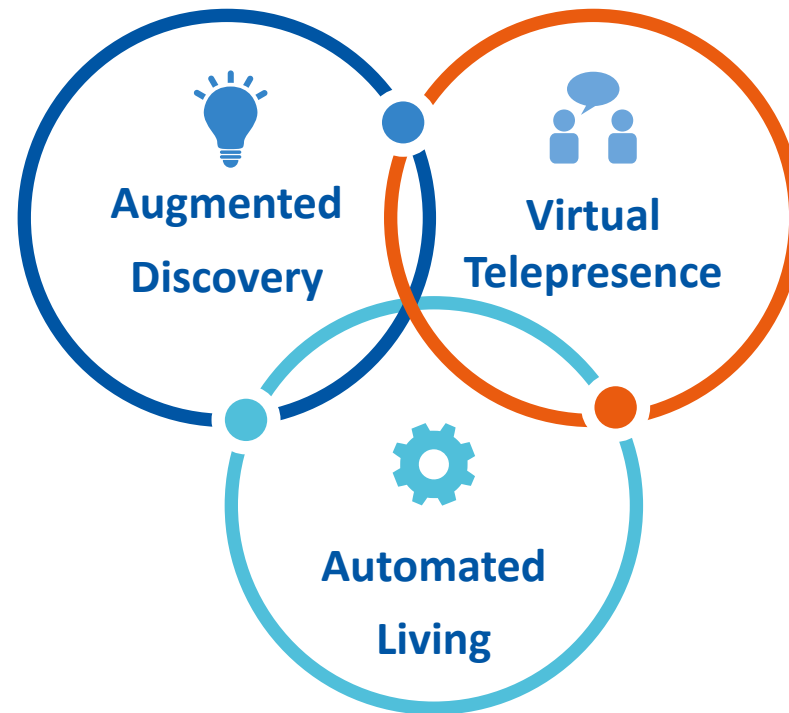
monthly data consumption per user in 2020 (*vs. 4.6GB in 2017*)



96%

of French people consider having good Wi-Fi at Home essential

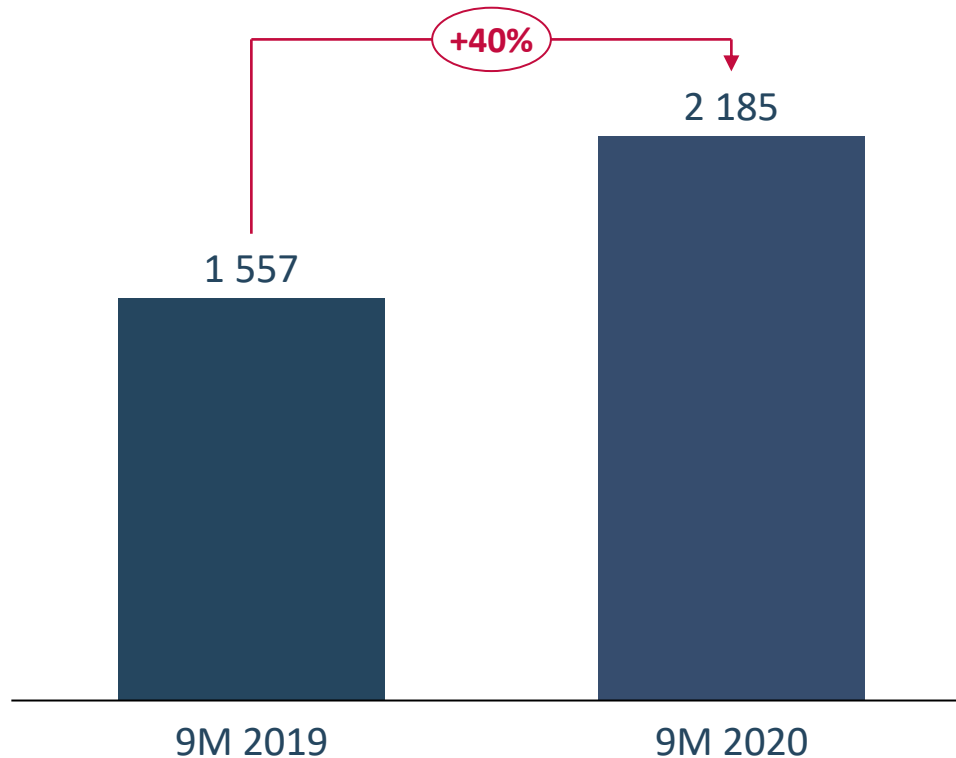
Connectivity is critical for B2C and B2B



COVID is accelerating technology adoption

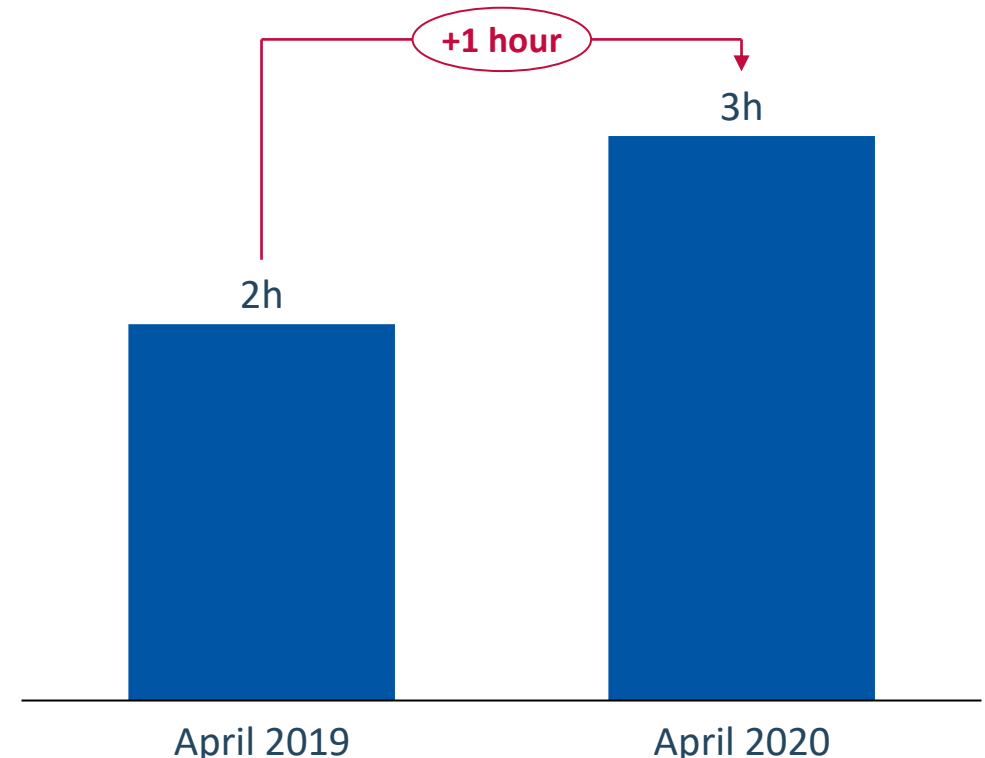
+40% FTTH Net Adds in France

x1000



+ 1h per day spent on the Internet

On average, France



COVID national lockdown

Telecoms contributing to environmental challenges

DIRECT: CONTROL OF CARBON FOOTPRINT

USAGE

Fixed Data Traffic
2015-19

x2

Mobile Data Traffic
2015-19

x10

Telecoms contributing to environmental challenges

DIRECT: CONTROL OF CARBON FOOTPRINT

USAGE

Fixed Data Traffic
2015-19

x2

+

NEW TECHNOLOGIES

FTTH vs. ADSL
kWh/line/year

<1/3

Mobile Data Traffic
2015-19

x10

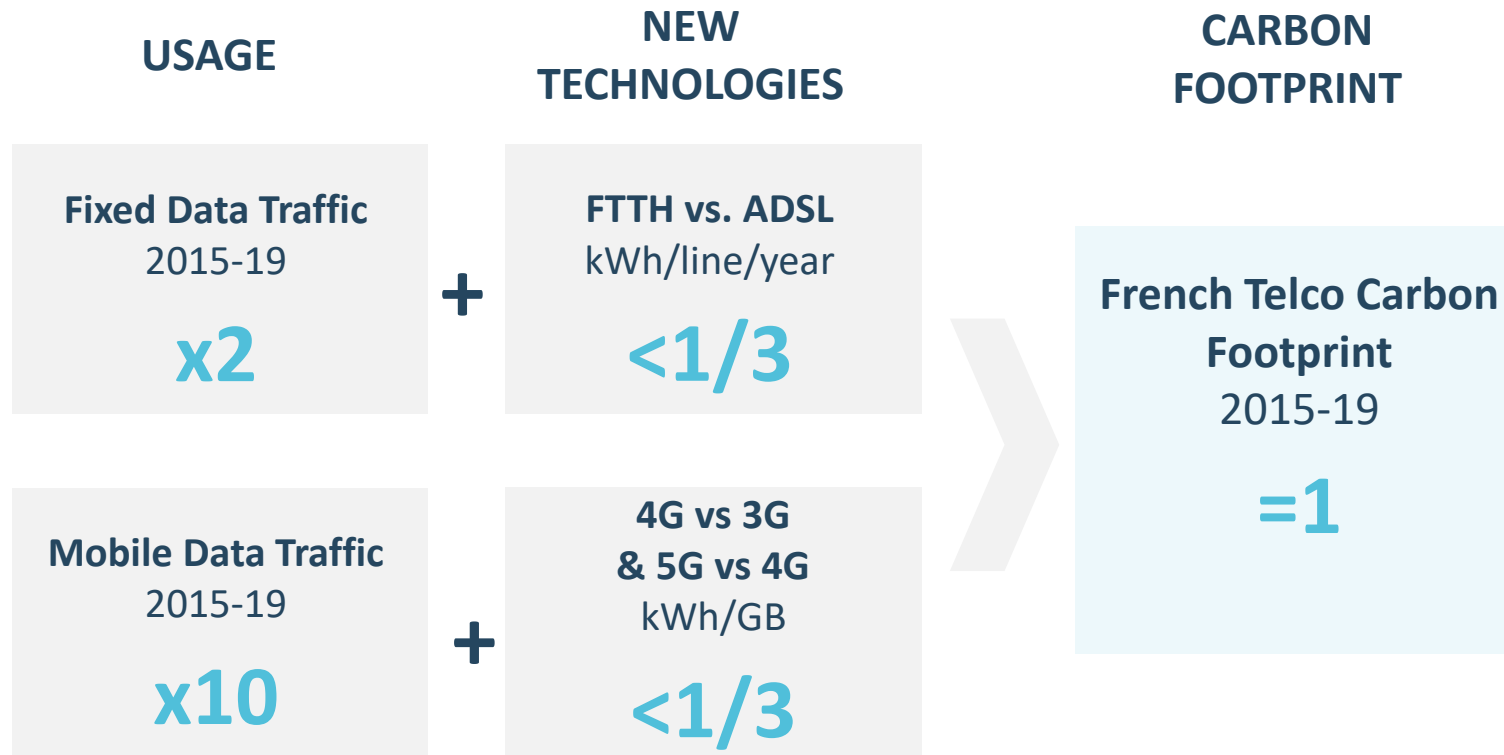
+

4G vs 3G
& 5G vs 4G
kWh/GB

<1/3

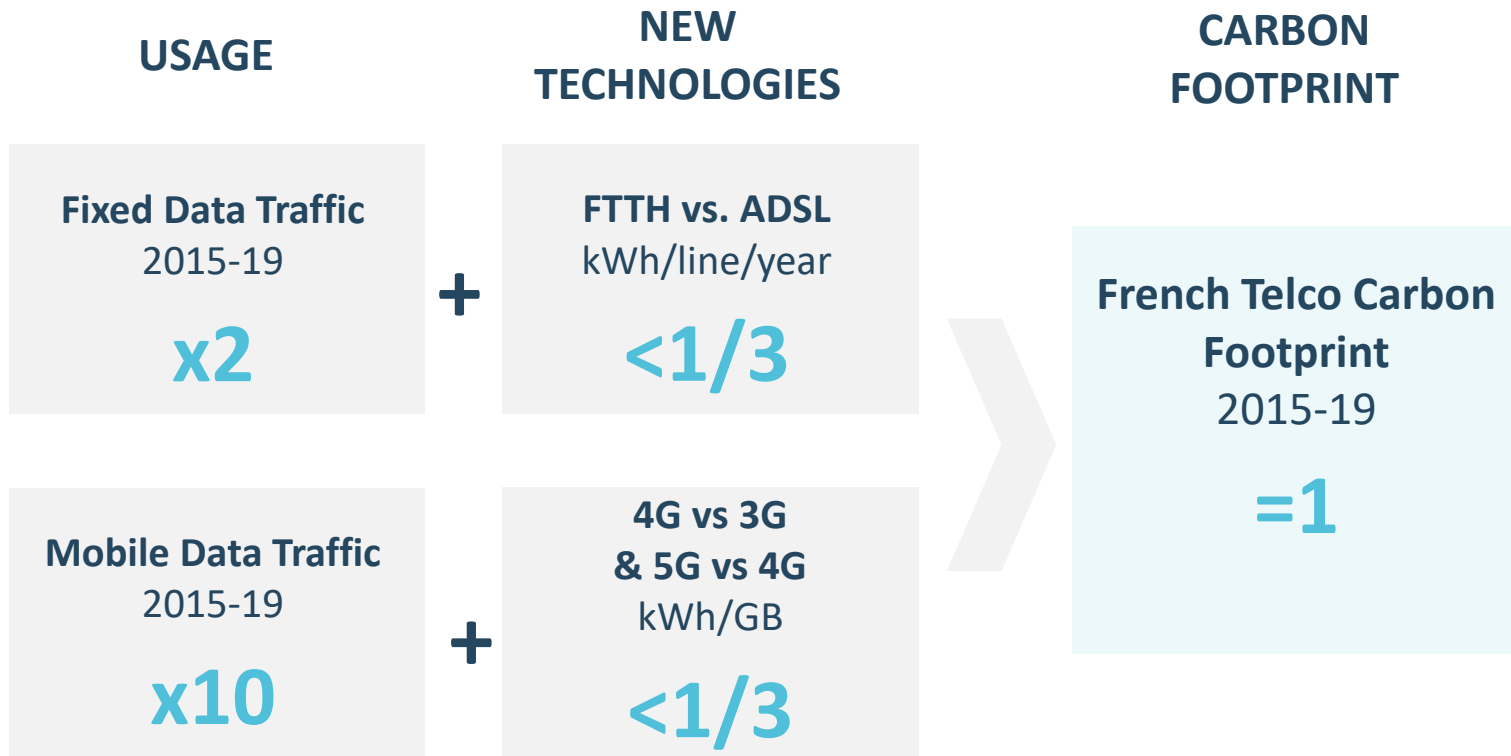
Telecoms contributing to environmental challenges

DIRECT: CONTROL OF CARBON FOOTPRINT



Telecoms contributing to environmental challenges

DIRECT: CONTROL OF CARBON FOOTPRINT



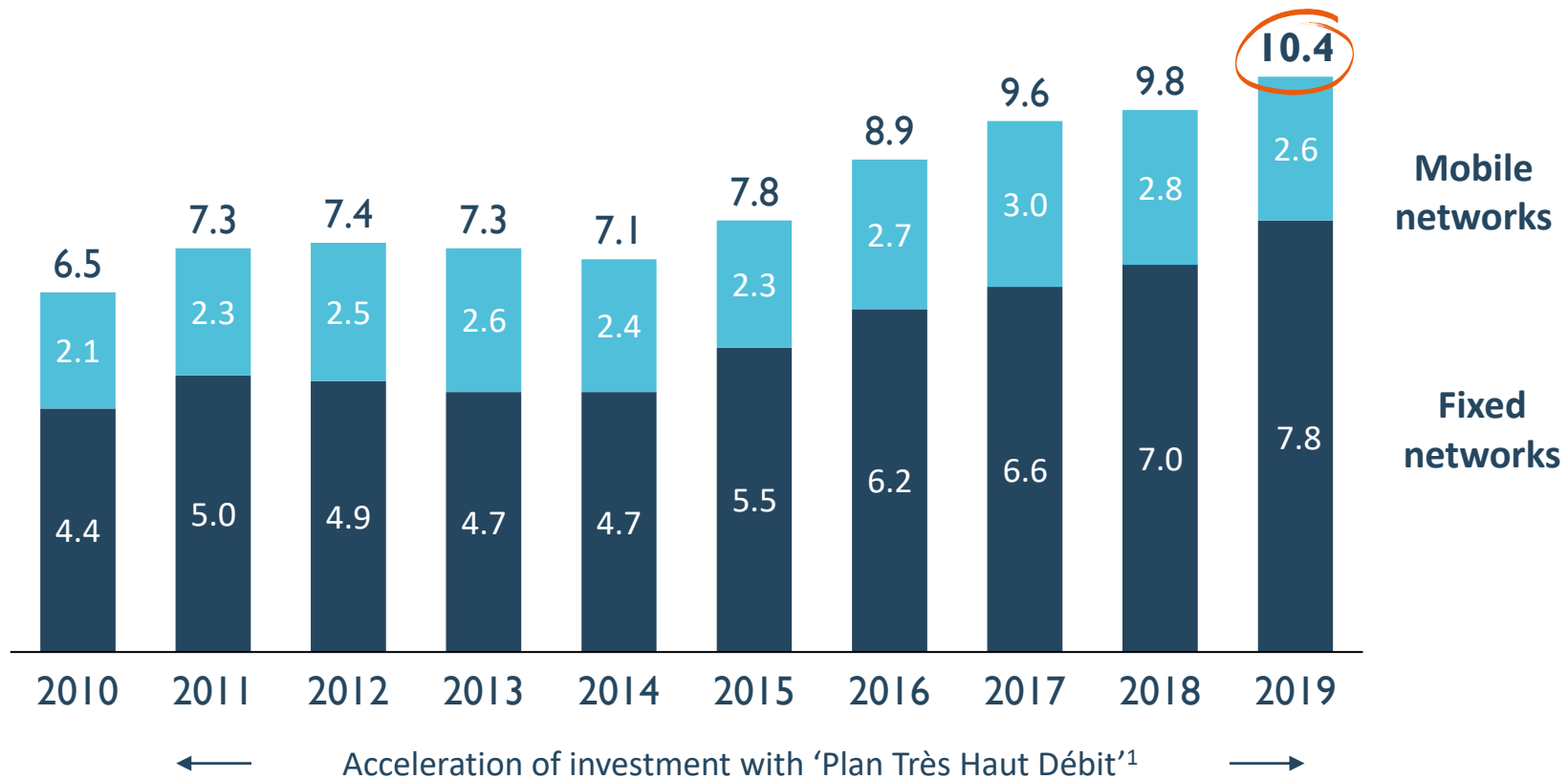
INDIRECT: CO₂ REDUCTION IN THE ECONOMY

1g of CO₂ eq in Telecoms
helps save
x10 CO₂ eq
in other industries

French Telcos massively investing

A record level of investment in Telecom infrastructure in France

In billion euros, 2010-19, excluding spectrum costs

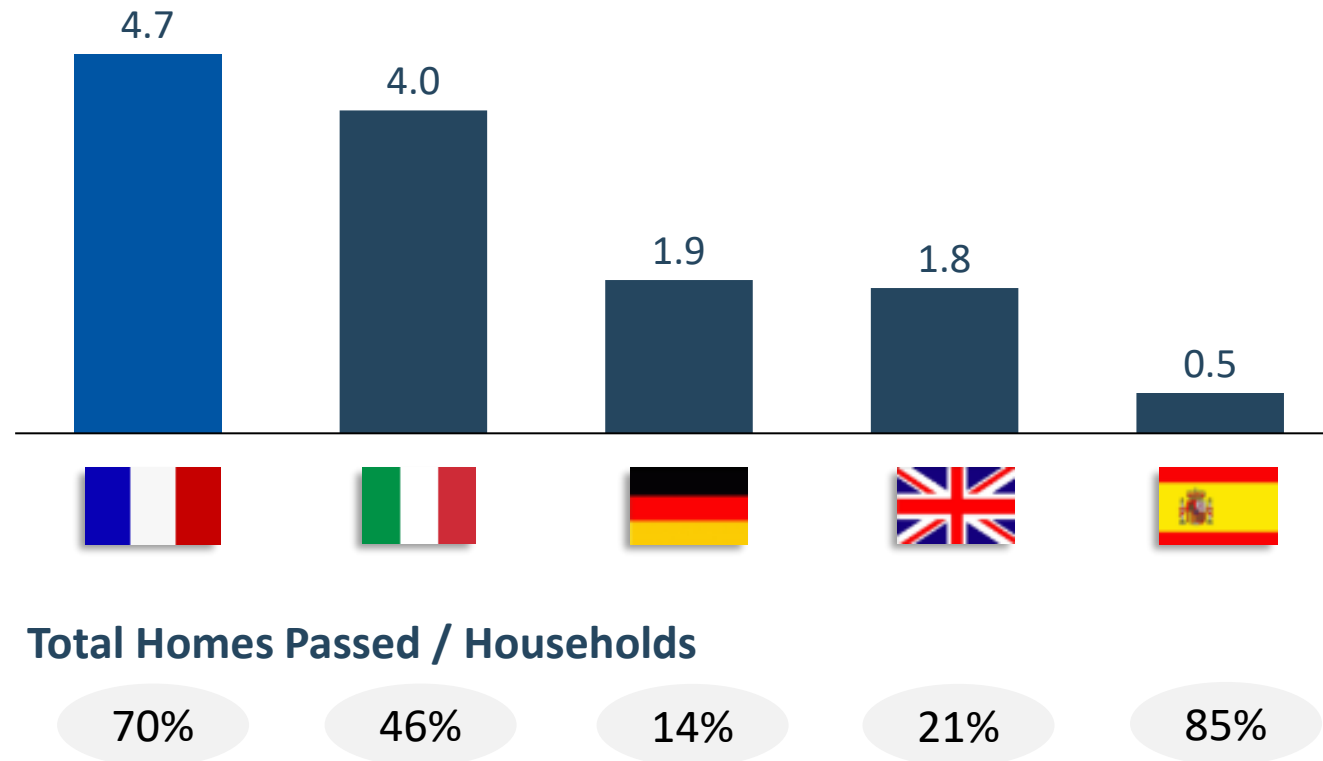


~4-5bn for FTTH roll-out in 2019

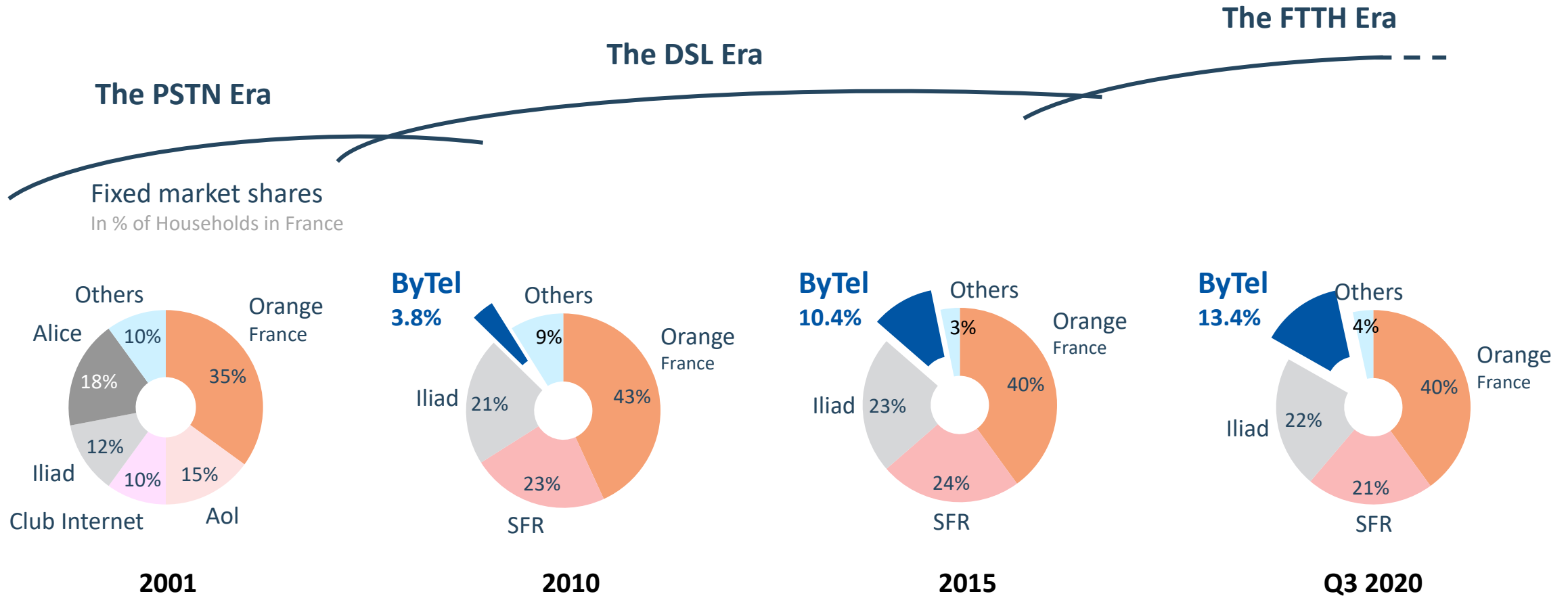
France accelerating FTTH roll-out and soon N°1 in Europe

Additional FTTH roll-out in 2020

Q4 2019- Q4 2020(e), in millions of additional homes passed



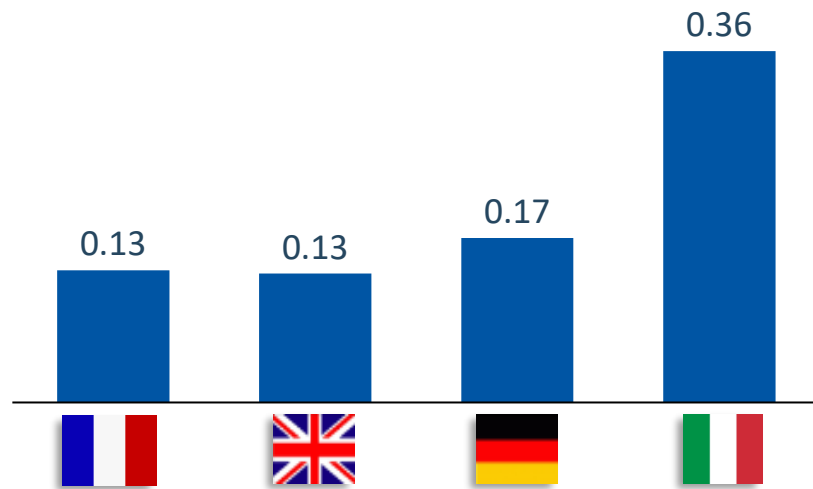
FTTH opening opportunities for gaining market share



Favorable conditions for 5G in France

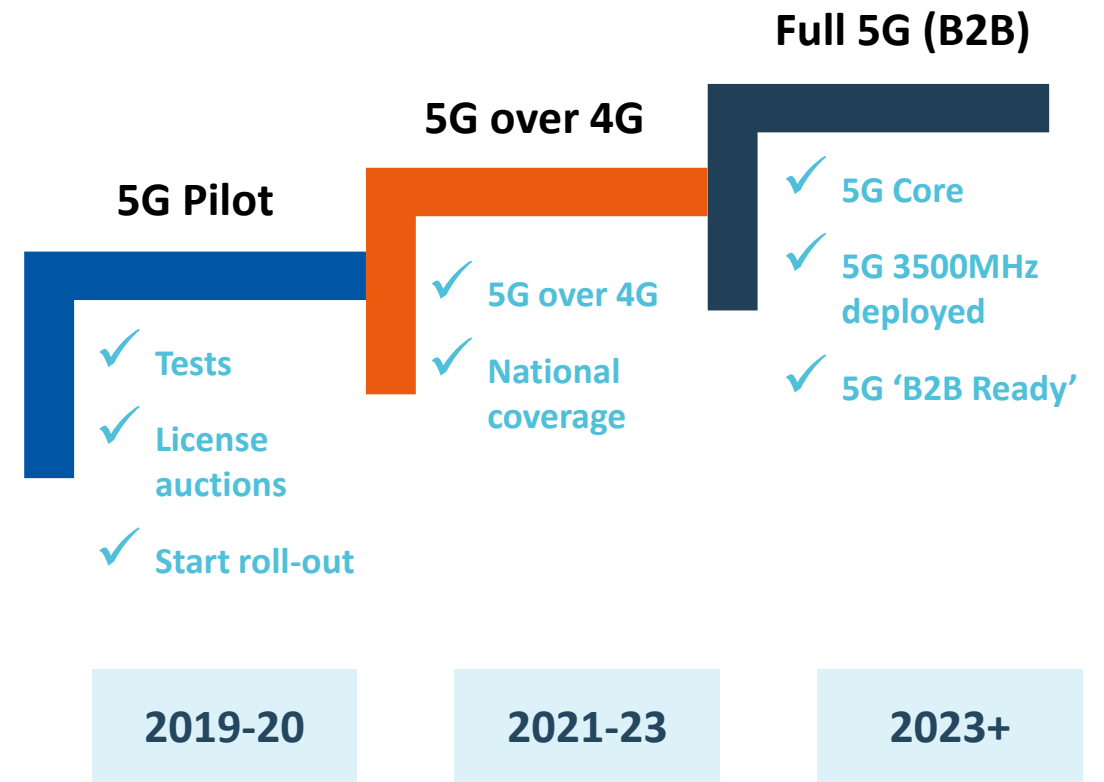
Fair 5G spectrum prices

3500Mhz license Price in Euros/MHz/Population



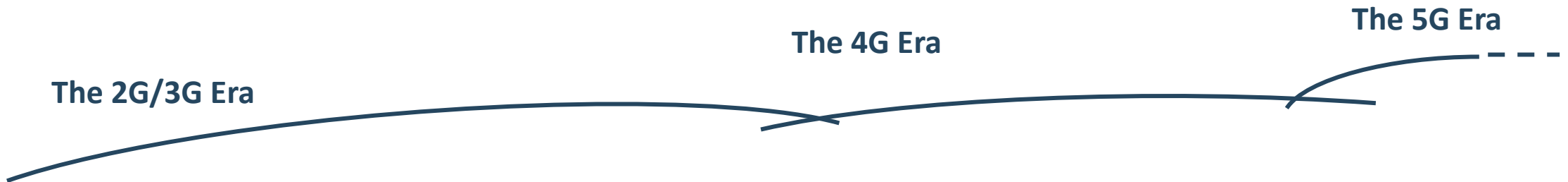
- ✓ Payment over 15 years¹
- ✓ Network sharing permissions
- ✓ Technology neutrality

5G Progressive Benefits

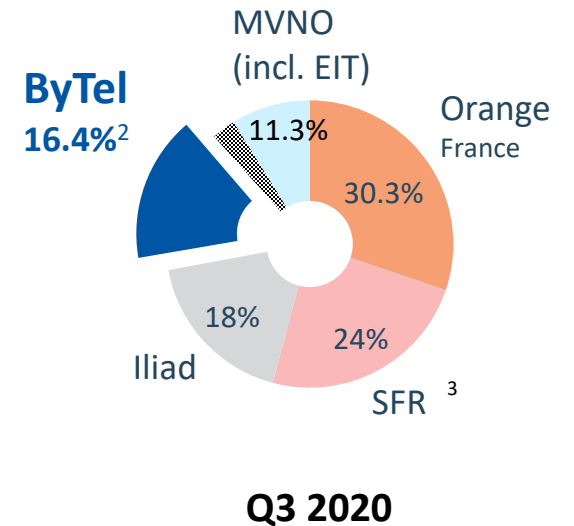
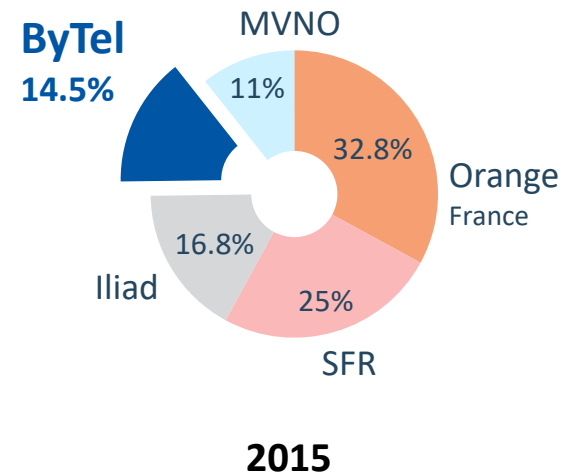
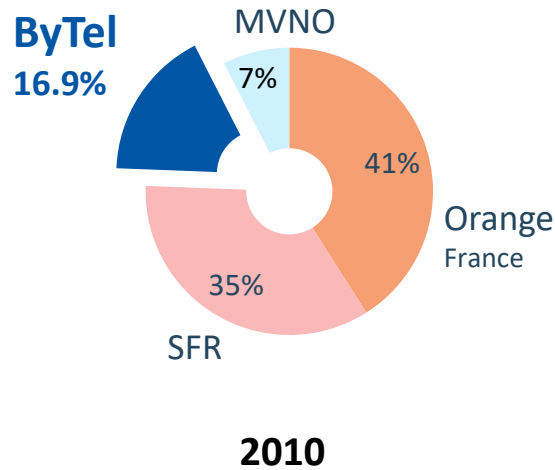
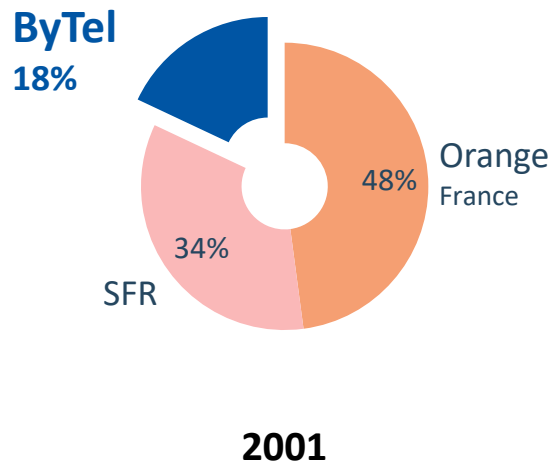


SOURCES: ARCEP, ARTHUR D. LITTLE ANALYSIS, ARCEP
 NOTES: (1) FOR 50% OF 3.5GHZ LICENSE COST ; NOTE: NGT= NEXT GENERATION TECHNOLOGIES,

4G-5G creating opportunities to reshuffle market share



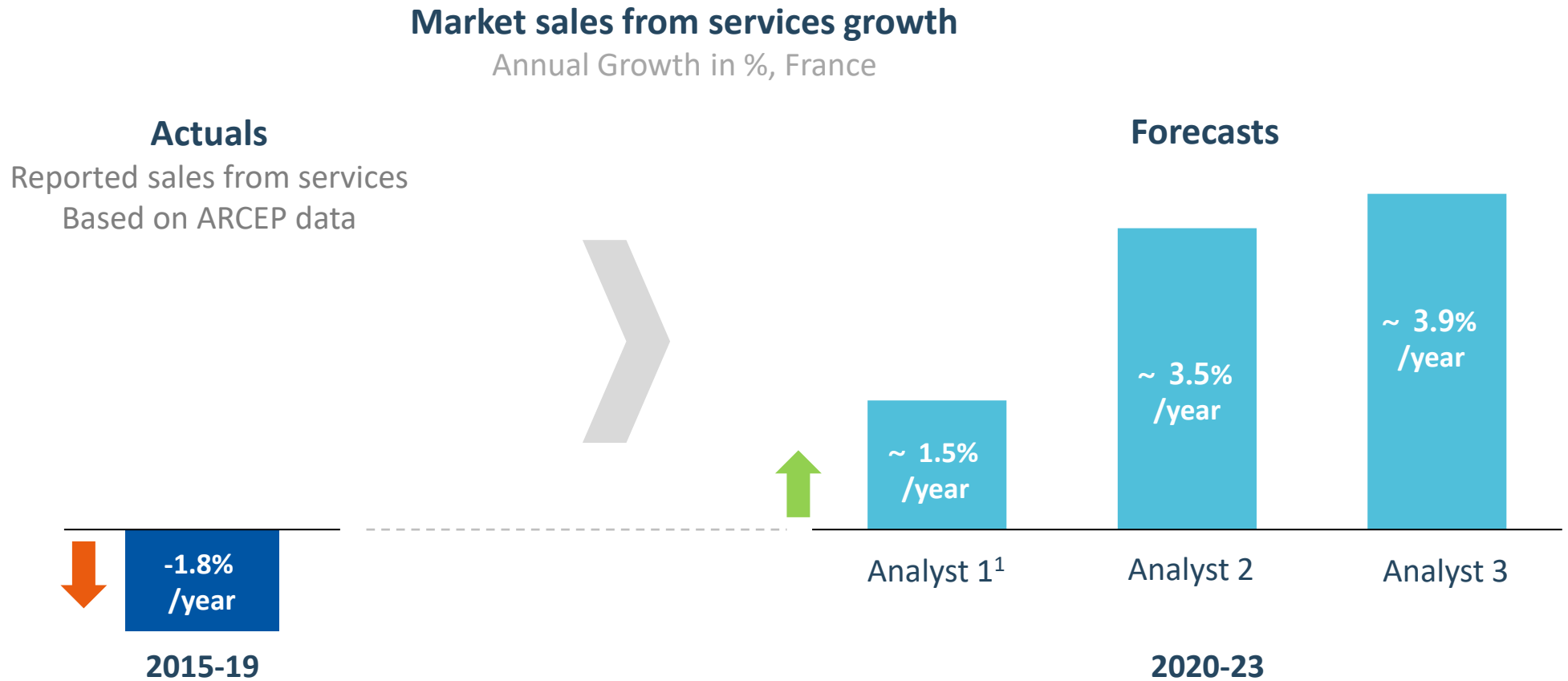
Mobile market shares¹
In % of subscribers in Mainland France,
B2C & B2B, Pre & Postpaid, excluding M2M



SOURCES: SOURCE: ARCEP, INTERNAL, ARTHUR D LITTLE ANALYSIS

NOTES: (1) FOR ORANGE, BASED ON ~66% MARKET SHARE OUTSIDE MAINLAND FRANCE; (2) EXCLUDING EIT (2,7%) IN BOUYGUES TELECOM MARKET SHARE (3) SFR B2B MARKET SHARE ESTIMATED

French telecom market back to growth



A consensus on a new growth dynamic

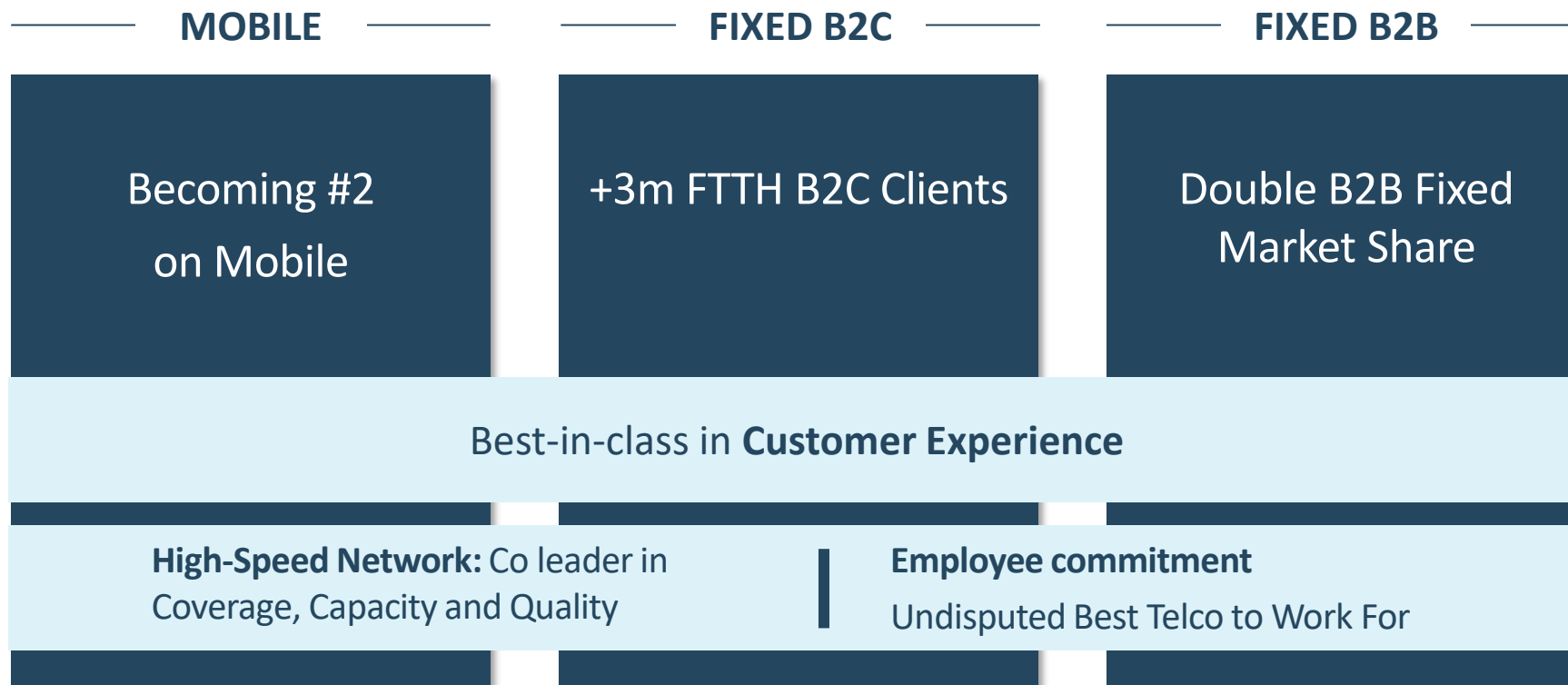
GlobalData. **Gartner**. **Marketline**

SOURCES: ARCEP, ARTHUD D. LITTLE ANALYSIS, MARKETLINE JUN. 2020, GARTNER Q4 2020, GLOBAL DATA NOV.20
NOTES(1) BASED ON TOTAL END USER SPENDING EXCLUDING WHOLESALE AND OTHER REVENUES

03

**Ambition 2026:
Becoming #2 in Mobile and a
major player in fiber**




Ambition2026



>€7bn Sales from services | ~€2.5bn EBITDAAL | ~€600m FCF

Ambition to accelerate in Mobile and Fixed

≡ Ambition2026

| | |
|--|--|
| MOBILE Clients |  +4m |
| FIXED B2C FTTH Clients |  +3m |
| FIXED B2B Market share Value |  +5pts |

Ambition to accelerate - Financials

≡ Ambition2026

SALES FROM
SERVICES



+€2bn

EBITDAAL



+€1bn

FREE CASH
FLOW



+€350m

04

BUSINESS:

Proven levers and new initiatives

Replicate

Accelerate

Our levers to become #2 in Mobile

≡Ambition2026

#2 in Mobile

REPLICATE

Our Track record 2015-20

ACCELERATE

New Initiatives

'MORE FOR MORE'

**NETWORK
QUALITY**

**BRAND
POSITIONING**

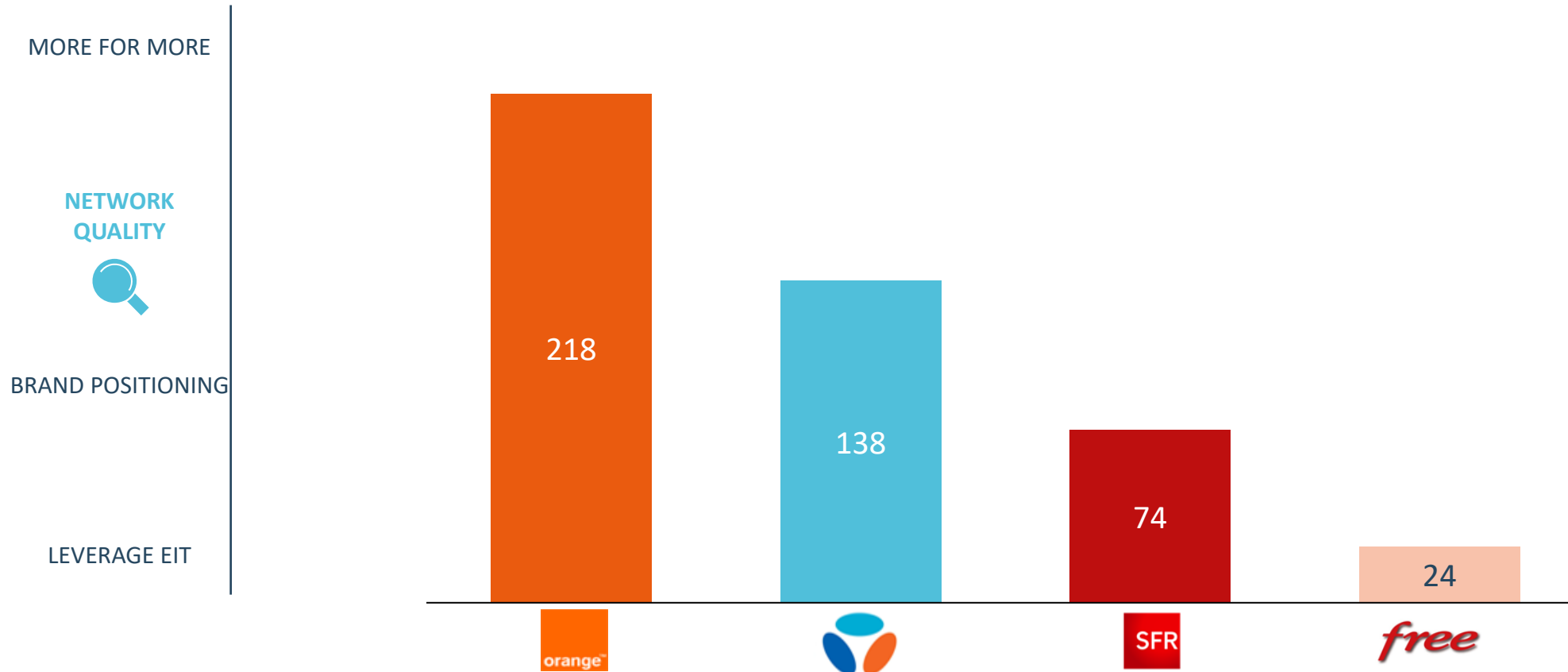
LEVERAGE EIT



Bouygues Telecom, a solid #2 in Mobile QoS for 7 years in a row

#2 in 2020 on Mobile Quality of Service measured by ARCEP

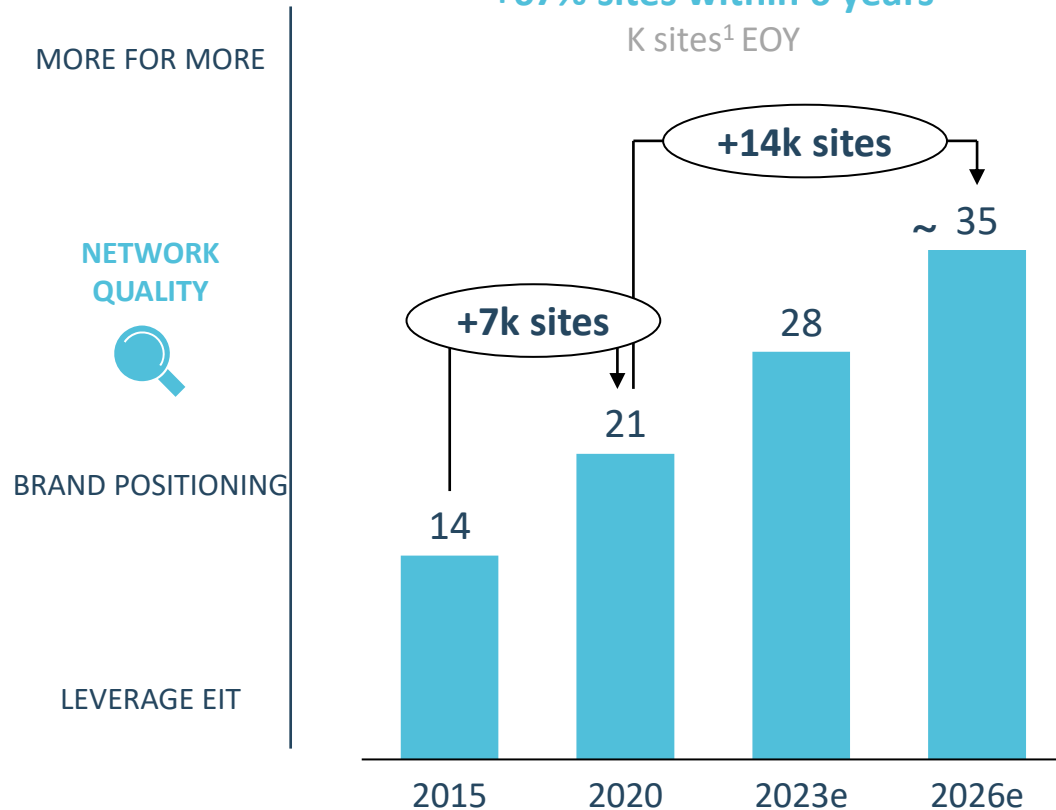
of 1st and 2nd ranking on ARCEP QoS criteria



Maintain a high-quality network

MOBILE COVERAGE

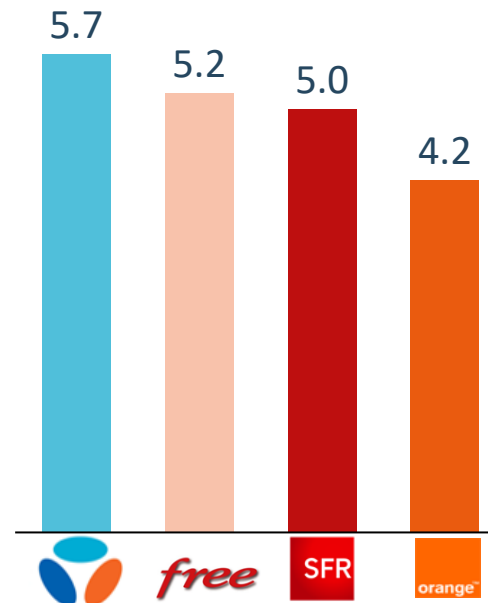
+67% sites within 6 years
K sites¹ EOY



THROUGHPUT

Spectrum x1.9² with
5G licenses³

Highest 5G spectrum hit ratio⁴
Hz in 3.5GHz band per mobile sub.



MOBILE CAPACITY

~ x4
Mobile Network
capacity by 2026

SOURCES: INTERNAL, ARTHUR D. LITTLE ANALYSIS

NOTES: (1) NUMBER OF SITES SEEN BY CLIENTS (OWNED AND SHARED); (2) BASED ON BYTEL SPECTRUM HOLDING END 2020, COUNTING ONE BAND PER FDD SPECTRUM; (3) + 70MHZ IN 3.5GHZ BAND ACQUIRED IN 2020; (4) EXCLUDING EIT

Benefit from Premium Brand re-positioning

on est fait pour être ensemble



MORE FOR MORE

NETWORK QUALITY

BRAND POSITIONING



LEVERAGE EIT



TEAM UP



CARE



BE HONEST



UNDERTAKE



HELP GROW

OBJECTIVE

**#2 in prospect consideration
for Mobile and Fixed B2C**



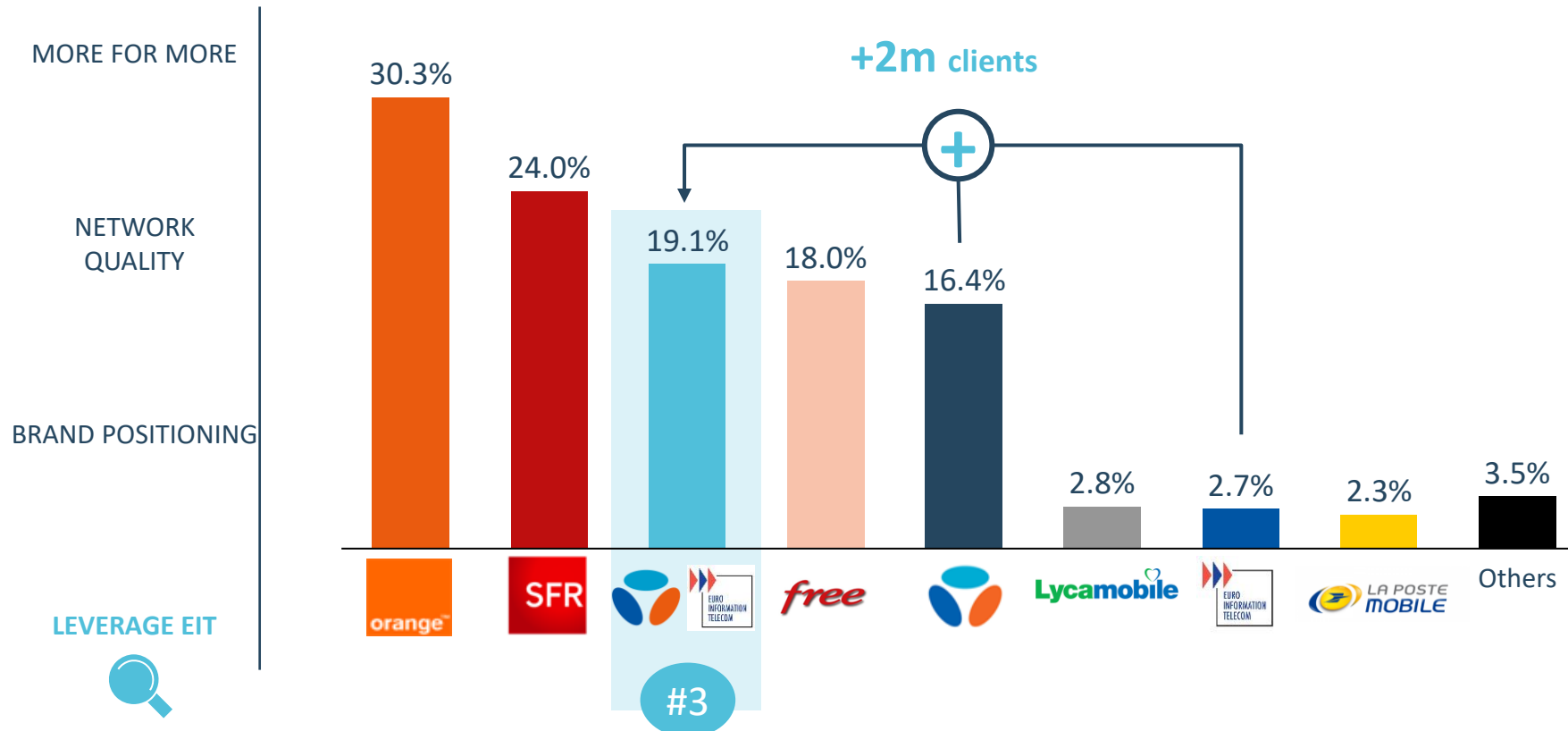
FIRST RESULTS

**+4.5pts in consideration,
from Bouygues Telecom prospects
*In July 2020 versus Dec. 2019***

Leverage EIT to consolidate our ranking on Mobile

A SOLID #3 IN MOBILE TODAY

Mobile market shares in subscribers¹, in %, Q3 2020 estimated, France



- Develop EIT
 - Provide additional distribution channels
- >4,200 local bank branches and 30k advisors
- CIC & Crédit Mutuel Preferred banks for SoHos and SMEs

NOTE: (1) POSTPAID AND PREPAID SUBSCRIBERS IN FRANCE EXCL. DOM TOM, EXCL. M2M

Our levers to be a major player in fiber – B2C

≡Ambition2026

+3m FTTH B2C Clients

REPLICATE

Our Track record 2015-20

ACCELERATE

New Initiatives

**VALUE FOR MONEY
& 'MORE FOR
MORE'**



**BEST END-USER
EQUIPMENT¹**



**PREMIUM
CUSTOMER
EXPERIENCE**

**DOUBLE FTTH
COVERAGE²**



More for More to increase ABPU while offering value for money

Fixed B2C ABPU evolution
In Euros / subscriber / month

ILLUSTRATIVE

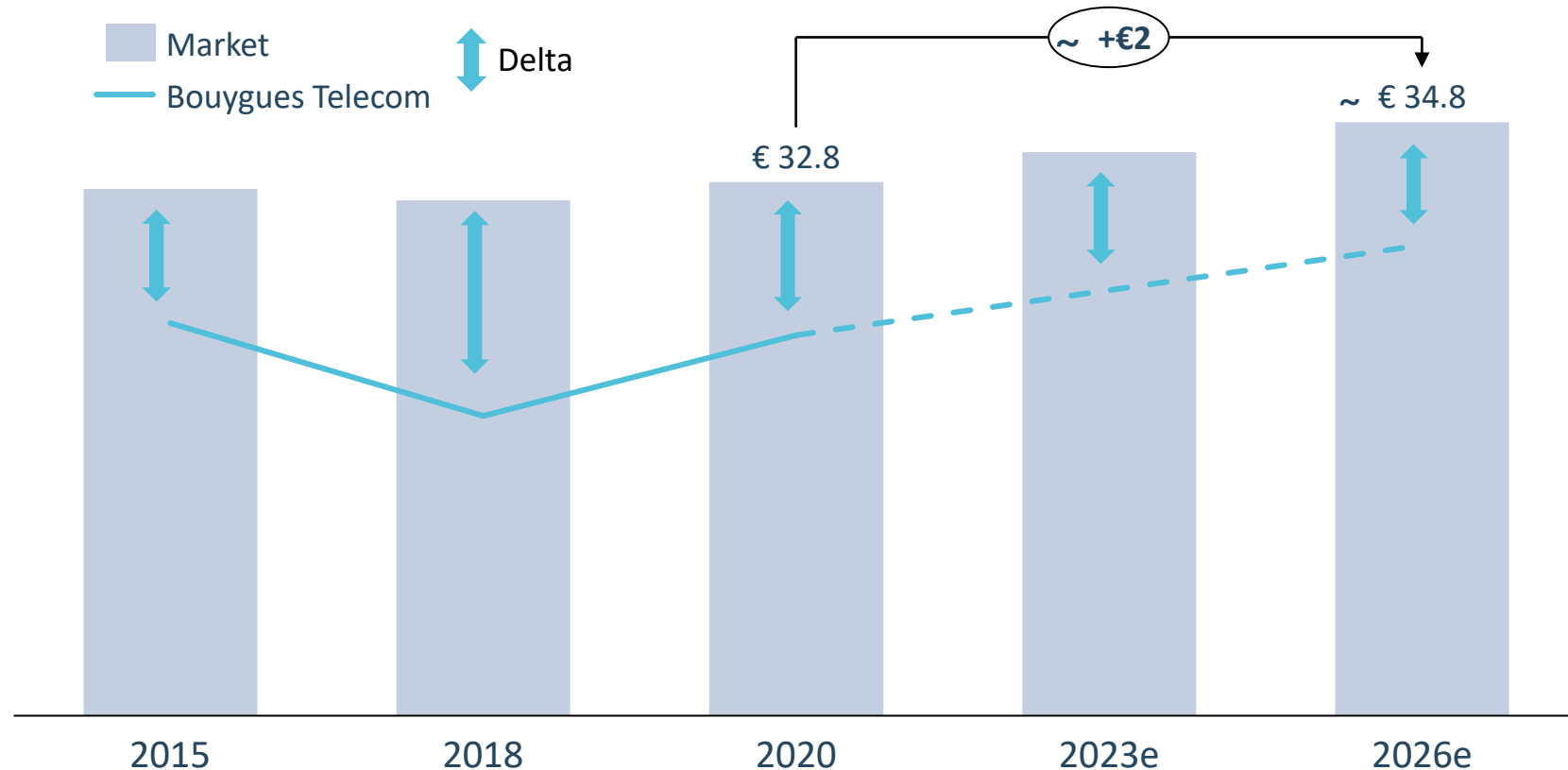
VALUE FOR MONEY
& MORE
FOR MORE



BEST EQUIPMENT

CUSTOMER
EXPERIENCE

FTTH COVERAGE



Leverage our superior end-user equipment

Best Wi-Fi Modem Router



Best Wi-Fi Box
2020



Best design
2020



1st Virtual Set-Top Box



SAMSUNG
Smart TV 4K

1st 3P service via a
Smart TV application

VALUE FOR MONEY
& MORE
FOR MORE

BEST EQUIPMENT



CUSTOMER
EXPERIENCE

FTTH COVERAGE

Doubling FTTH network coverage

FTTH COVERAGE

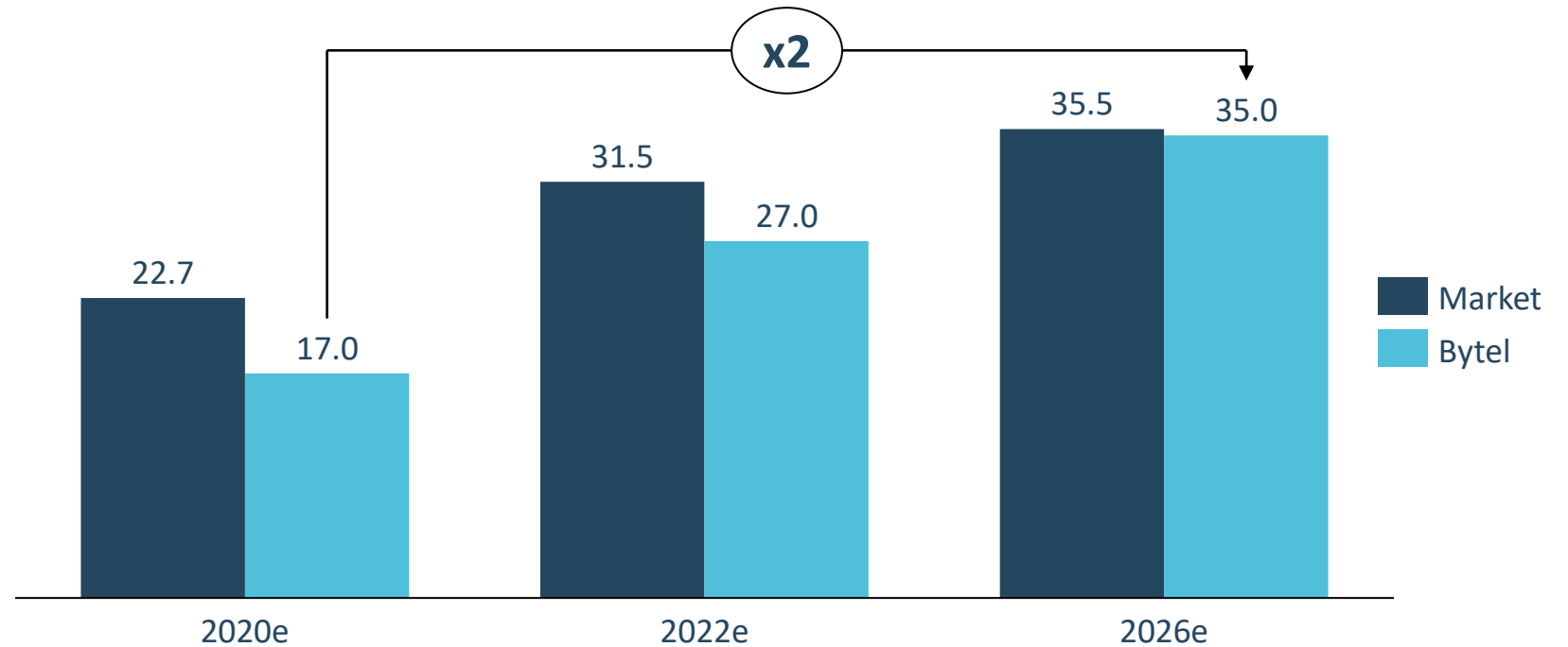
In million homes

VALUE FOR MONEY
& MORE
FOR MORE

BEST EQUIPMENT

CUSTOMER
EXPERIENCE

FTTH COVERAGE



Our levers to be a major player in fiber – B2B

≡Ambition2026

Double B2B Fixed Market Share

REPLICATE

Our Track record 2015-20

ACCELERATE

New Initiatives

**PREMIUM
CUSTOMER
SERVICE¹**

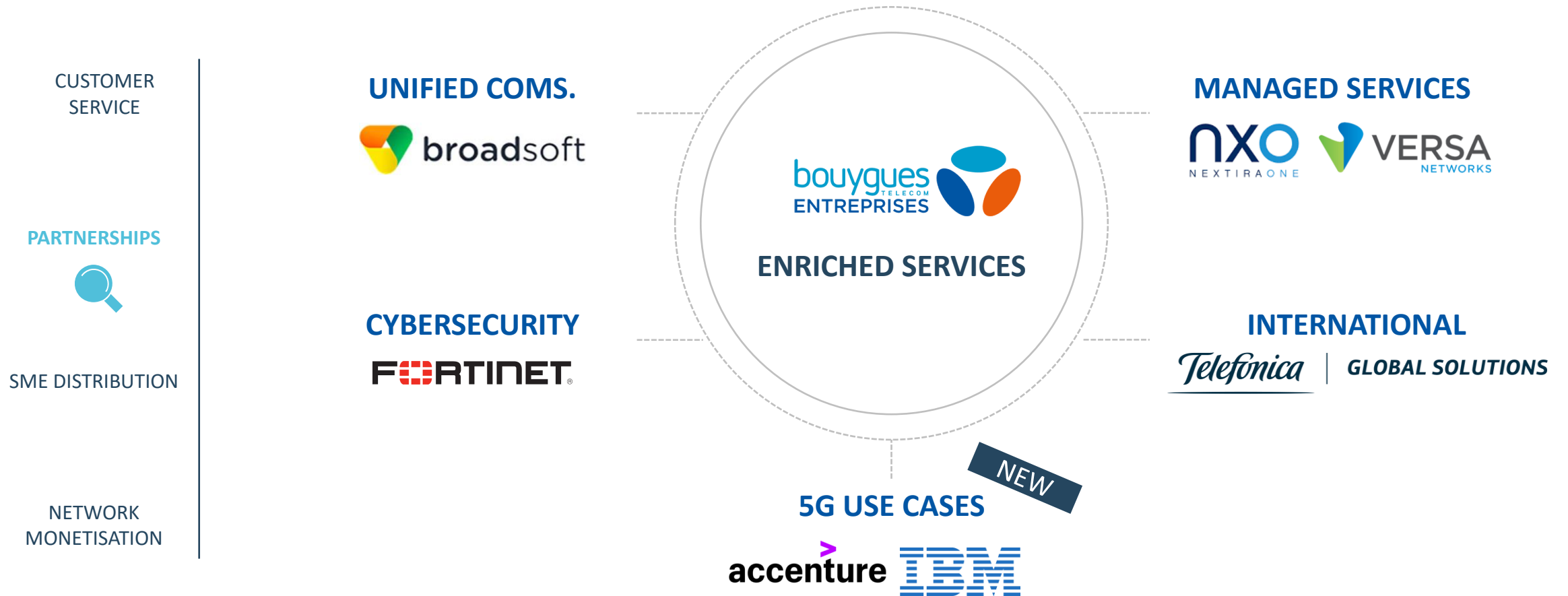
**ENRICHED SERVICE
PARTNERSHIPS**

**MULTI-CHANNEL
SME DISTRIBUTION**

**NETWORK
COVERAGE
MONETIZATION
B2B & WHOLESALE**



Develop enriched services through Strategic Partnerships

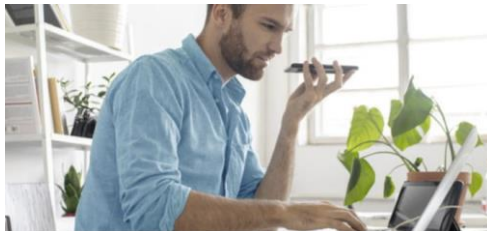


Leverage on multiple channels to accelerate growth on SMEs

CUSTOMER SERVICE



PARTNERSHIPS



SME DISTRIBUTION



NETWORK MONETISATION

Bouygues Telecom
dedicated SME sales force

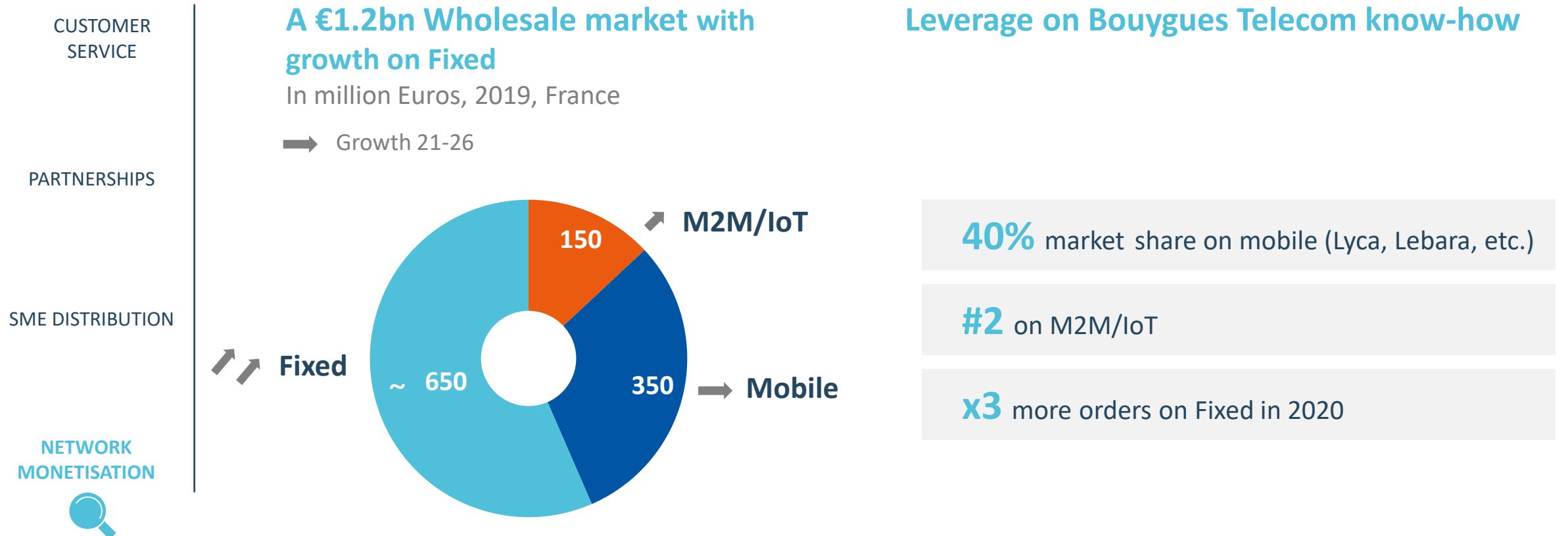
Industrialized and digitalized sales, matching SME needs

Sales force **dedicated to Hosting Solutions**

Preferred banks of SoHos and SMEs in France

Accelerate network coverage monetization with Fixed Wholesale

WHOLESALE: REPLICATE SUCCESS ON WHOLESALE MOBILE & M2M ON FIXED



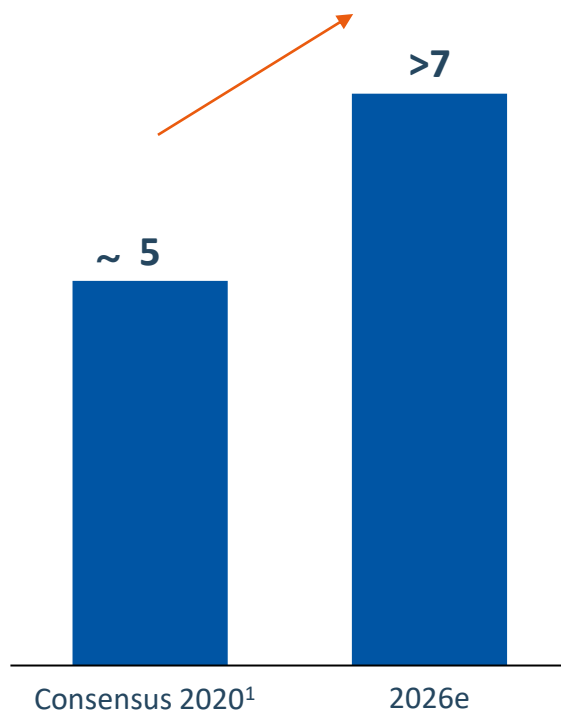
05

FINANCIALS:
Delivering Profitable and
sustainable Growth & Doubling
Free Cash Flow

2021-26, a solid profitable growth outlook

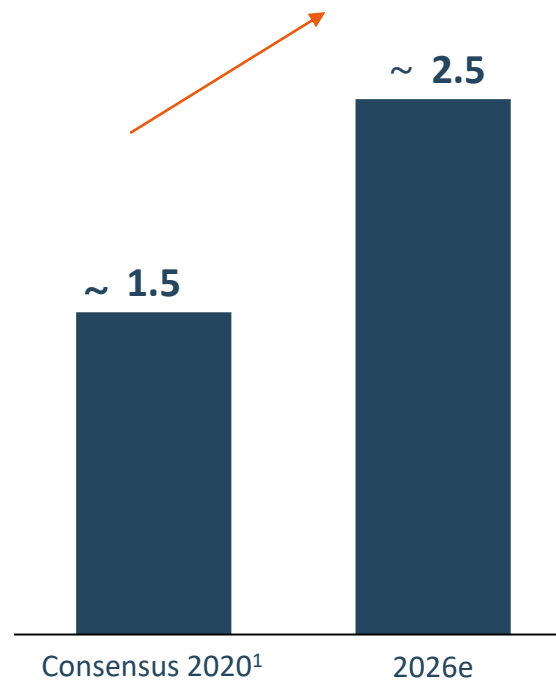
Sales from services

In billion Euros



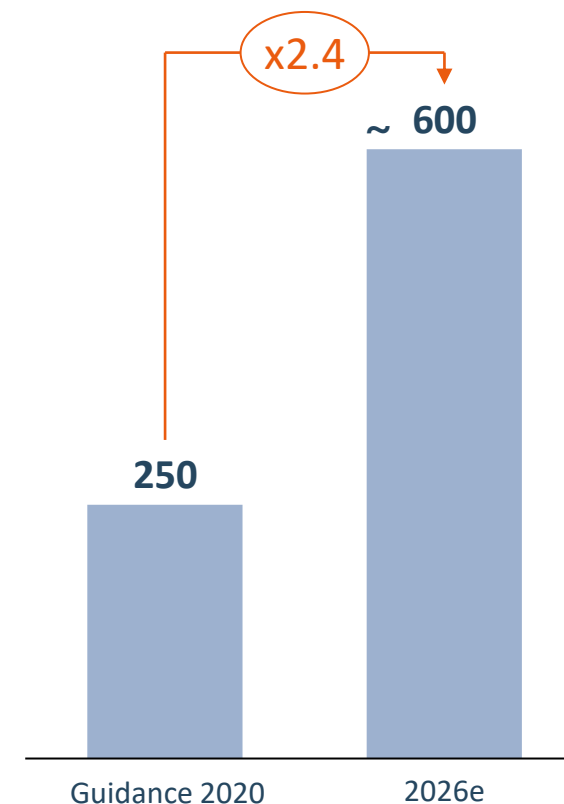
EBITDAAL

In billion Euros



Free Cash-Flow

In million Euros



NOTE: (1) EXCLUDING EIT, VISIBLE ALPHA CONSENSUS ON THE 01/07/2021: SALES FROM SERVICES €4.9BN, EBITDAAL €1.5BN

Our levers to reach our financial ambition

≡ **Ambition2026**

>€7bn Sales from services | ~€2.5bn EBITDAAL | ~€600m FCF

EBITDAAL GROWTH

CAPEX

SALES FROM SERVICES
+€2bn

MARGIN
from 31% to 35%

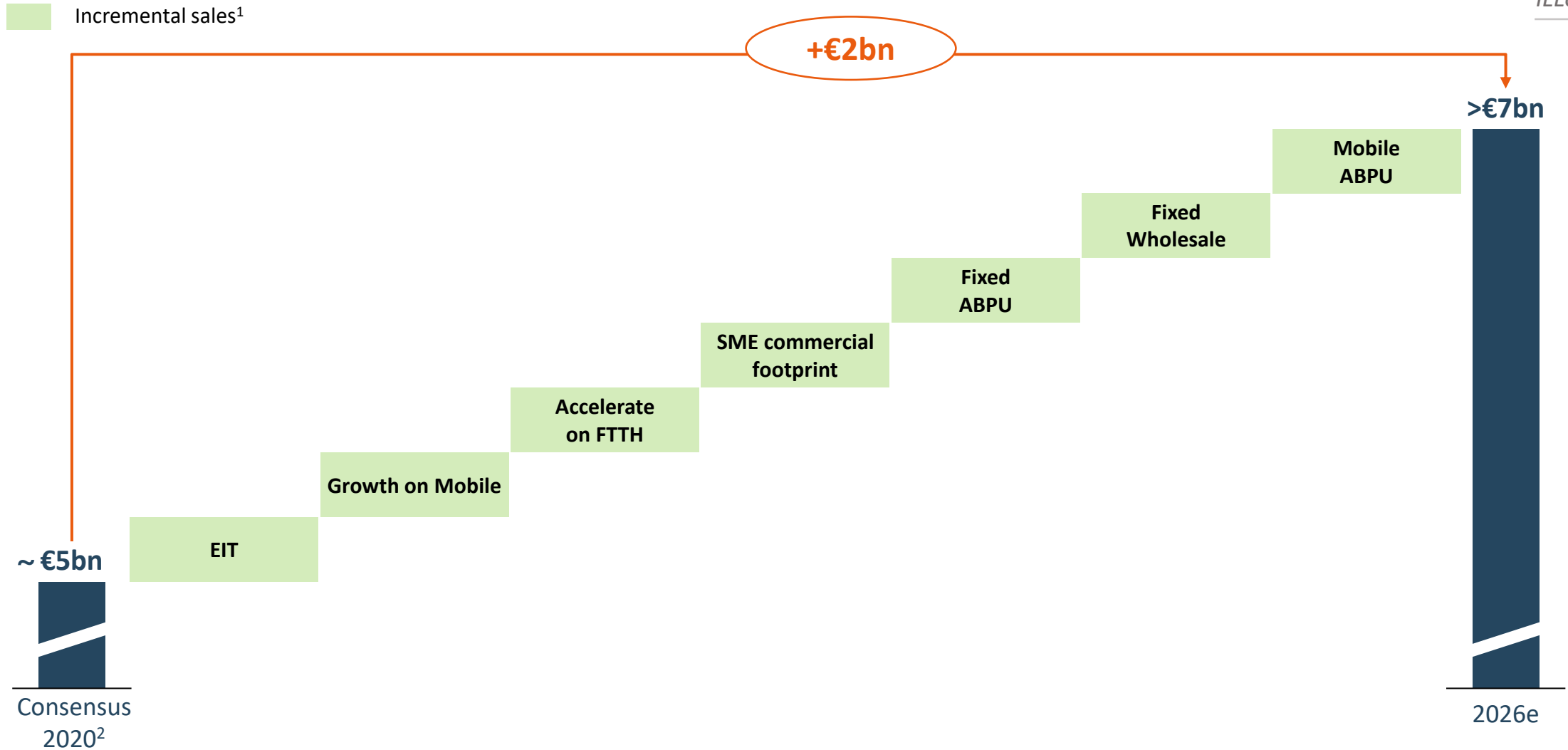
Infrastructure related
Capex

Client
related
Capex

FCF GROWTH

2020-26, €2bn of growth in sales from services

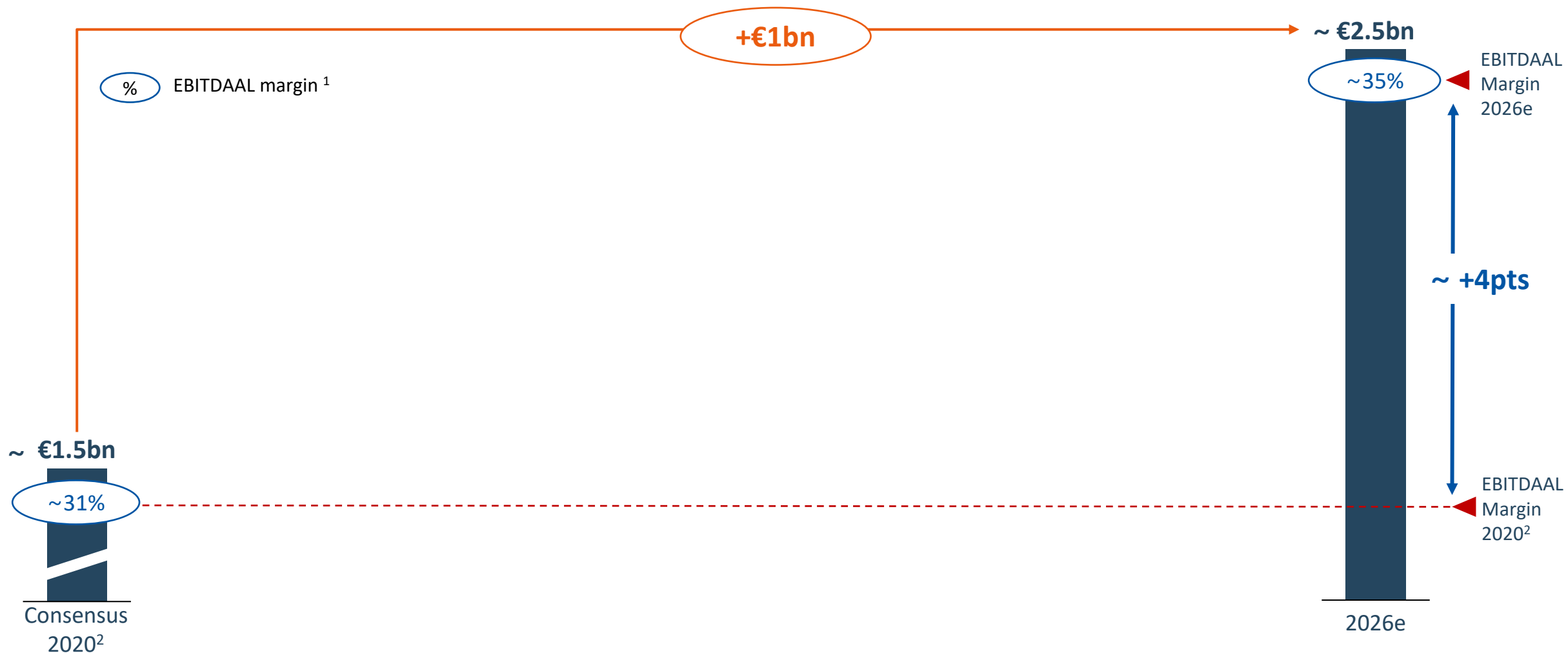
ILLUSTRATIVE



NOTES: (1) SURFACE IS PURELY ILLUSTRATIVE AND NOT REPRESENTATIVE OF REAL PROPORTION; (2) VISIBLE ALPHA CONSENSUS ON THE 01/07/21: SALES FROM SERVICES €4.9BN, EBITDAAL €1.5BN

2020-26, accelerating EBITDAAL growth

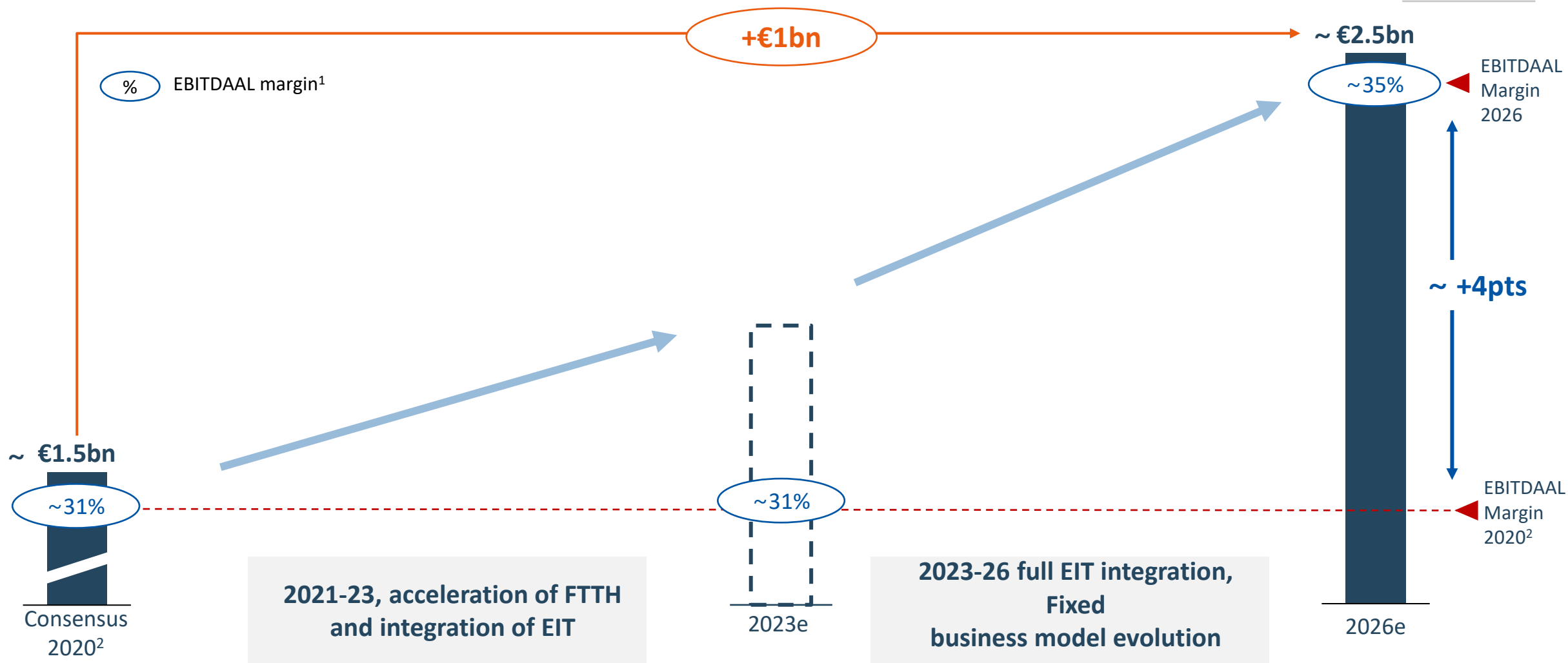
ILLUSTRATIVE



NOTES: (1) EBITDAAL ON SALES FROM SERVICES (2) VISIBLE ALPHA CONSENSUS ON THE 01/07/21: SALES FROM SERVICES €4.9BN, EBITDAAL €1.5BN

2020-26, two steps to go to 35% EBITDAAL margin

ILLUSTRATIVE



NOTES: (1) EBITDAAL ON SALES FROM SERVICES (2) VISIBLE ALPHA CONSENSUS ON THE 01/07/21: SALES FROM SERVICES €4.9BN, EBITDAAL €1.5BN

Our levers to reach our financial ambition

≡ **Ambition2026**

>€7bn Sales from services | ~€2.5bn EBITDAAL | ~€600m FCF

EBITDAAL GROWTH

CAPEX

SALES FROM SERVICES
+ €2bn

MARGIN
From 31% to 35%

Infrastructure related
Capex

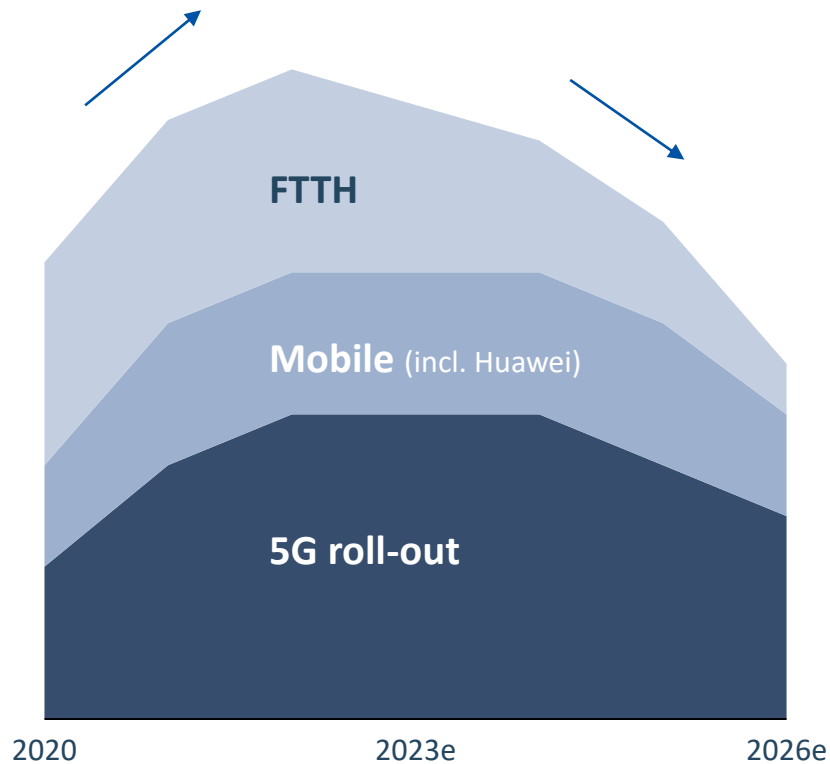
Client
related
Capex

FCF GROWTH

Infrastructure related Capex acceleration to support future Growth

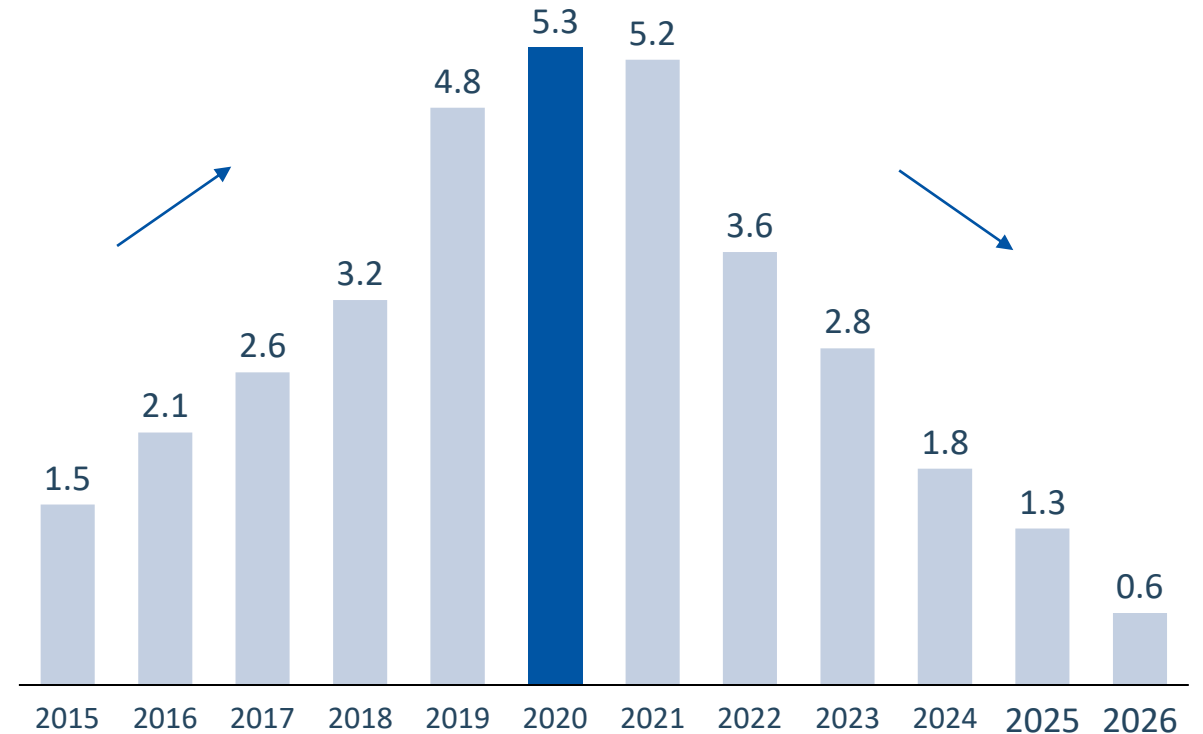
Infrastructure related Capex

In billion Euros



FTTH Market Coverage

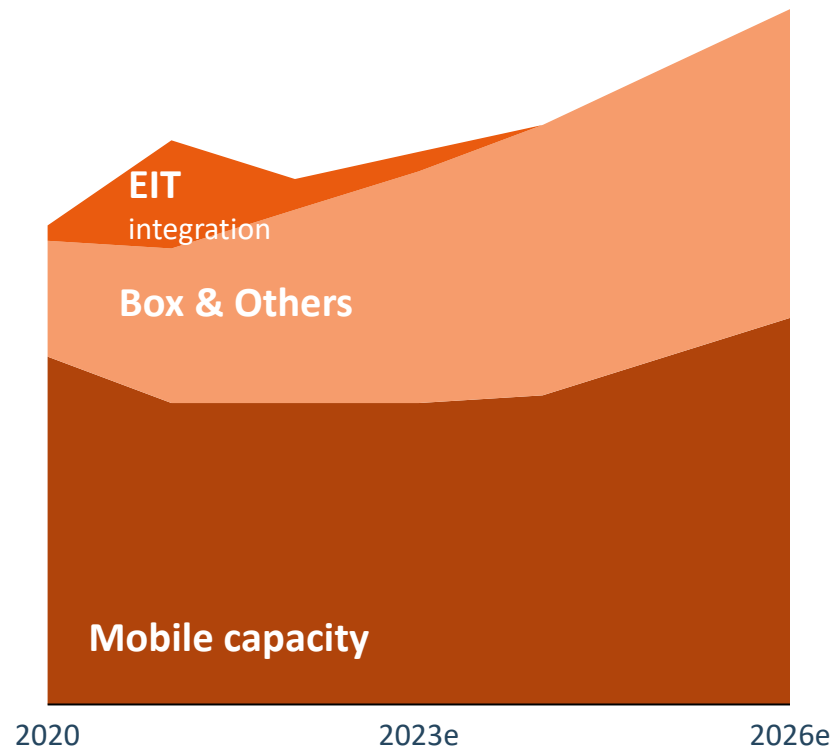
In million homes deployed every year, France



Client related Capex increasing with higher usage and fixed base

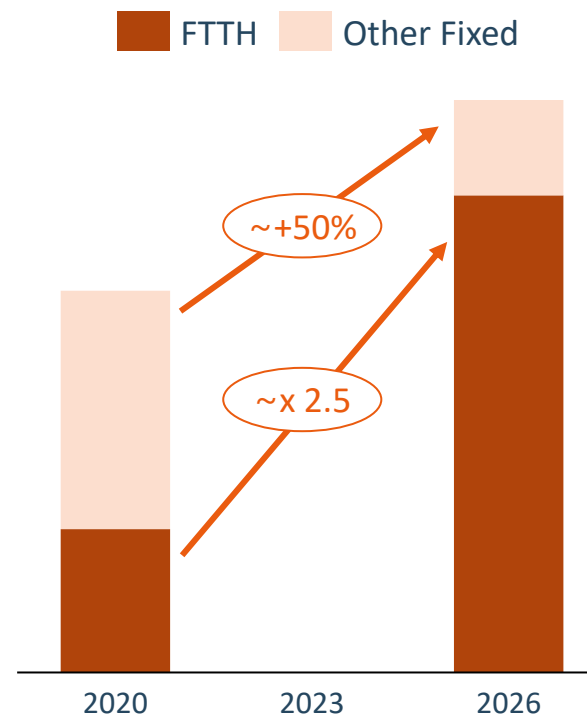
Client related Capex

In billion Euros



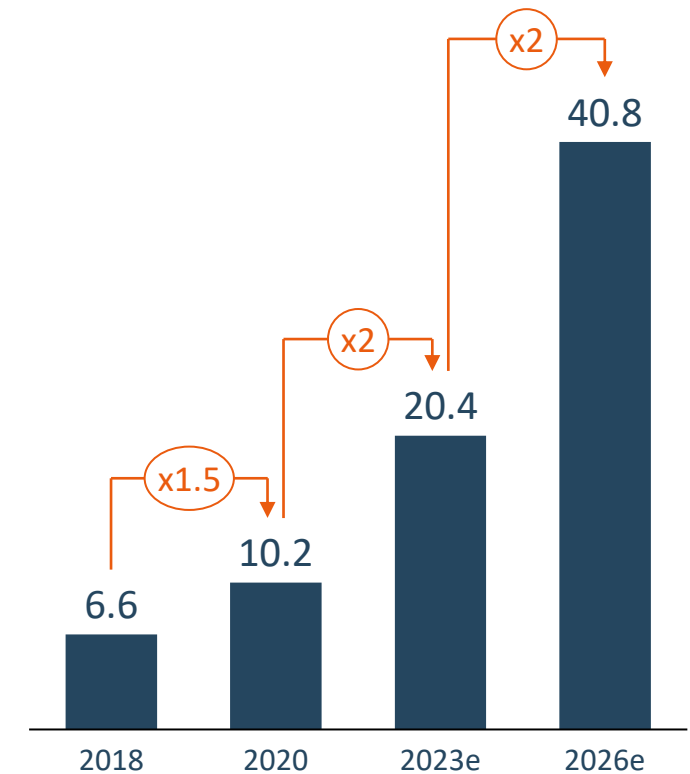
B2C Fixed Clients

In million clients



Mobile Data Market Usage

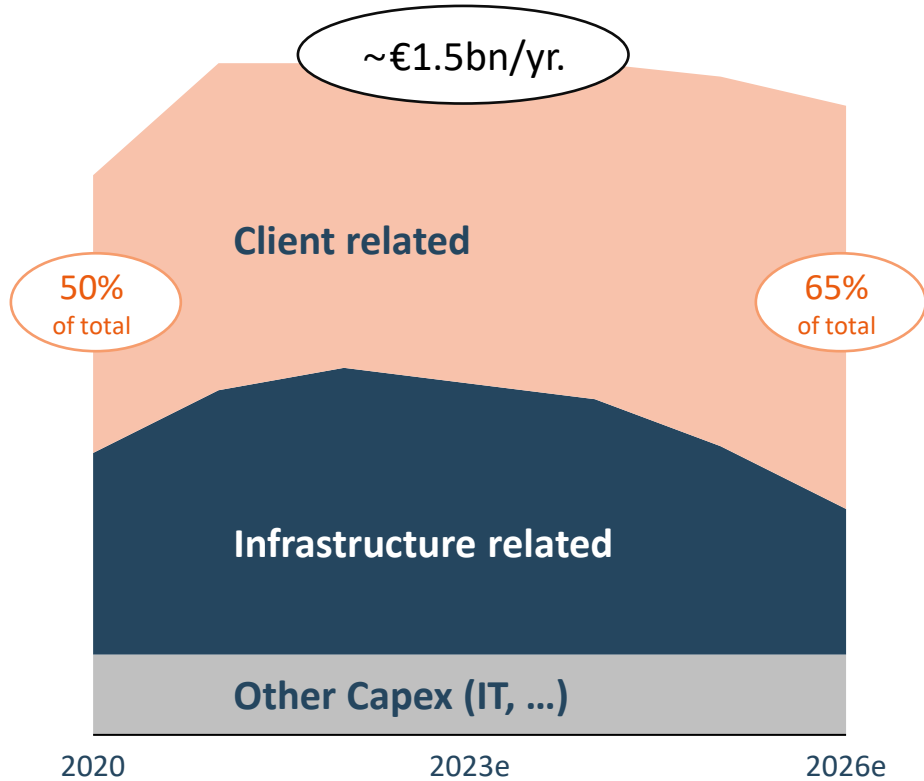
In GB/month



2021-2025: around €1.5bn gross capex per year and around €1.4bn in 2026

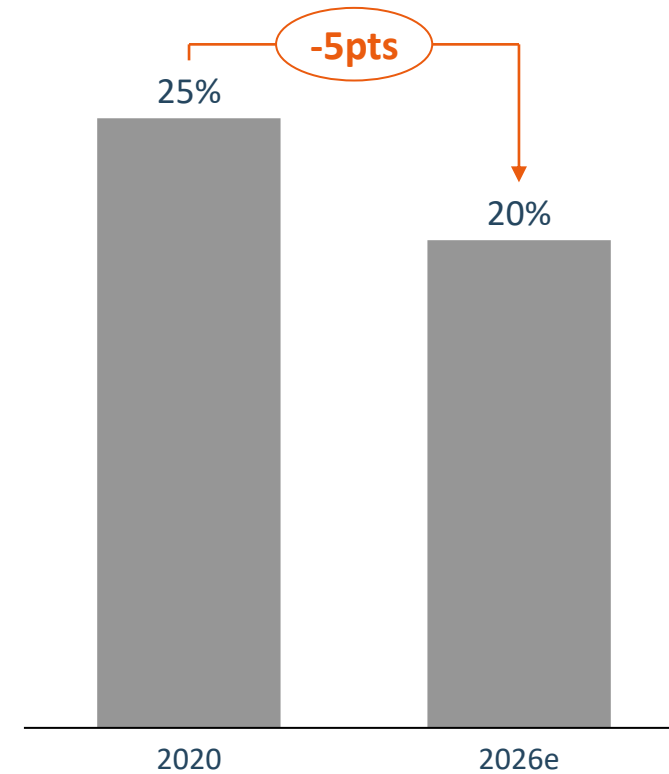
Split of Gross Capex

Share of "Capex type" in the total amount



Gross CAPEX Ratio

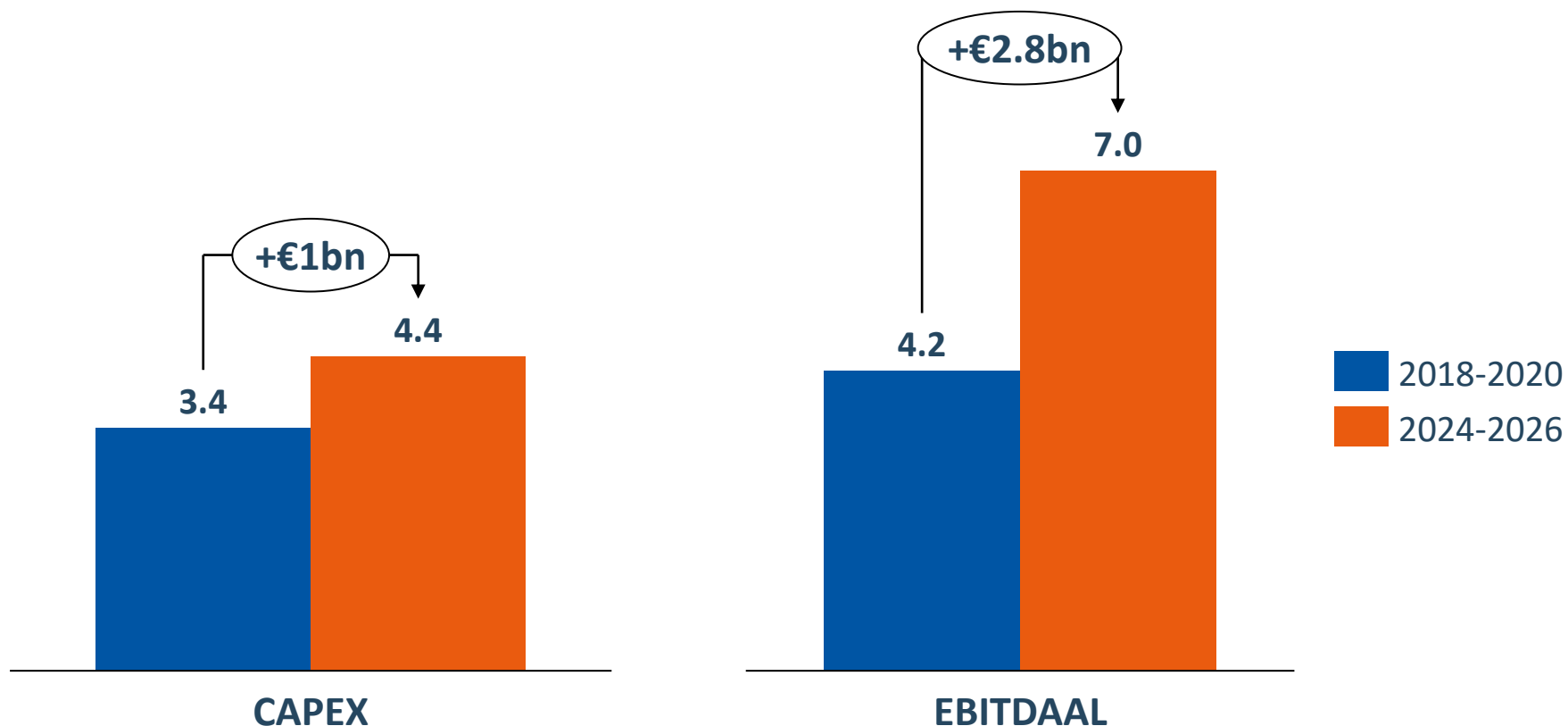
% of sales from services



Ambition 2026: invest in growth to generate higher EBITDAAL

+€1.0bn CAPEX¹ to generate +€2.8bn EBITDAAL

In billion euros, cumulated over 3 years



NOTE: (1) CAPEX EXCLUDING SPECTRUM FEES

Our levers to reach our financial ambition

≡Ambition2026

>€7bn Service Revenue | ~€2.5bn EBITDAAL | ~€600m FCF

EBITDAAL GROWTH

CAPEX

SALES FROM SERVICES
+ €2bn

MARGIN
From 31% to 35%

**Infrastructure related
Capex**

**Client
related
Capex**

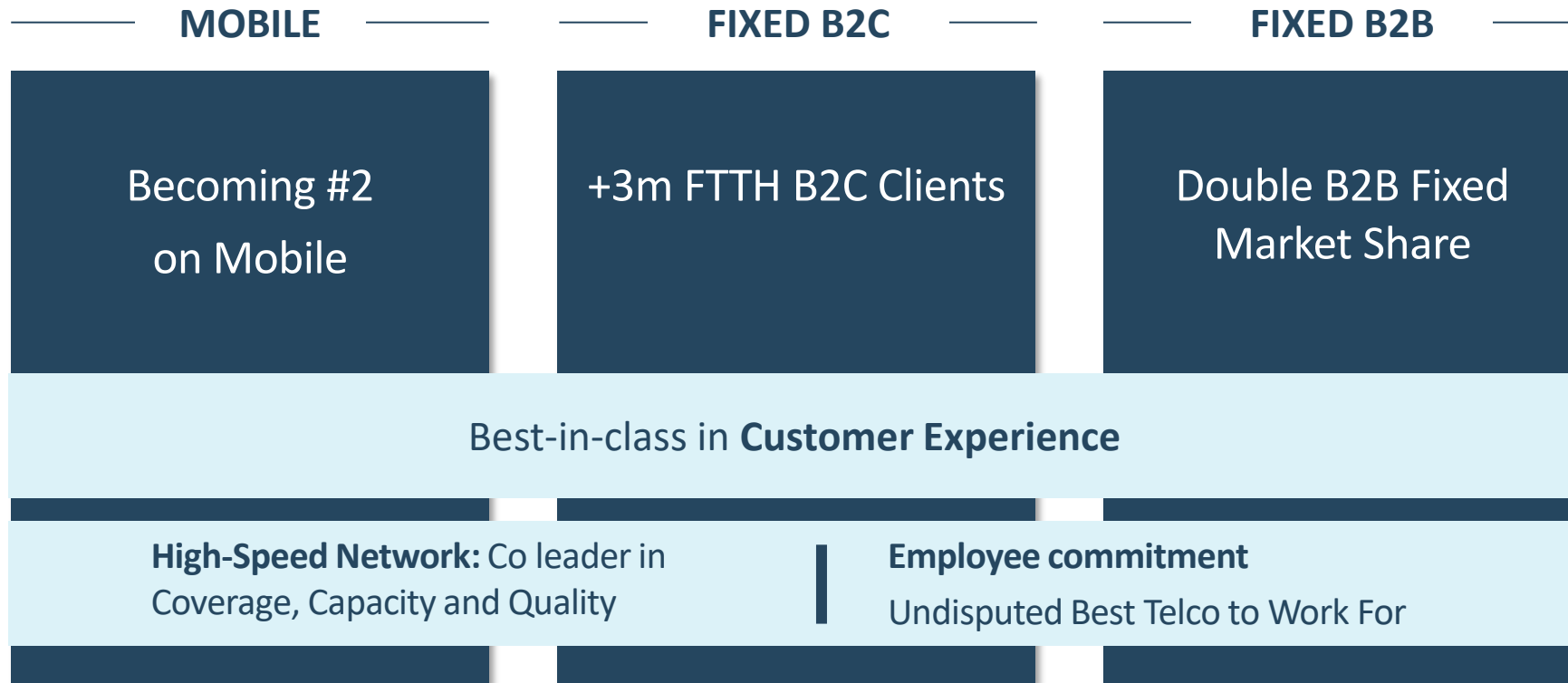
FCF GROWTH (x2.4 vs 2020)

06

**Conclusion:
The Outperforming Telco in France
and in Europe**

Conclusion: Bouygues Telecom ready to accelerate

Ambition2026



>€7bn Sales from services | >€2.5bn EBITDAAL | ~€600m FCF

Ambition to accelerate in Mobile and Fixed

≡ Ambition 2026

MOBILE
Clients

△ **+4m**

FIXED B2C
FTTH Clients

△ **+3m**

FIXED B2B
Market share Value

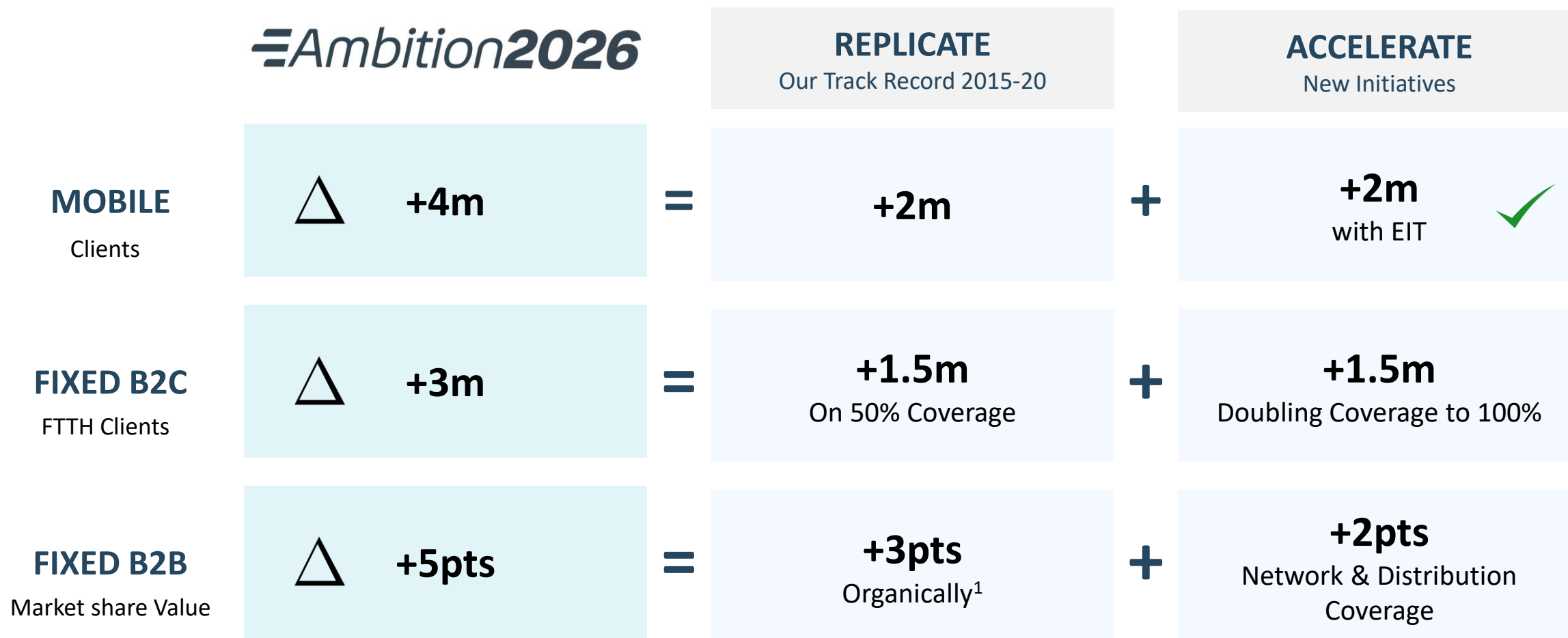
△ **+5pts**

Replicate our track record



NOTE: (1) EXCLUDING KEYYO AND NERIM (+4PTS INCLUDING KEYYO AND NERIM)

Accelerate through new initiatives



NOTE: (1) EXCLUDING KEYYO AND NERIM (+4PTS INCLUDING KEYYO AND NERIM)

Ambition to accelerate - Financials

≡ Ambition 2026

SALES FROM
SERVICES

△ +€2bn

EBITDAAL

△ +€1bn

FREE CASH
FLOW

△ +€350m

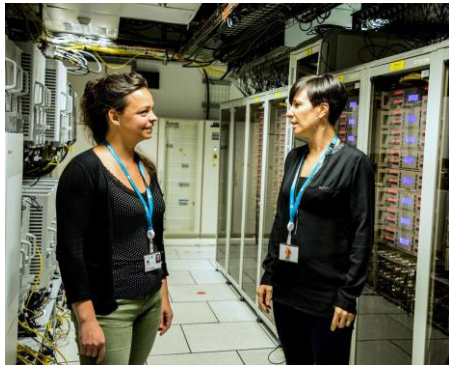
Replicate our track record - Financials

| | <i>Ambition2026</i> | REPLICATE Our Track Record 2015-20 ¹ |
|------------------------|---------------------|---|
| SERVICE REVENUE | △ +€2bn | ~+€1.2bn |
| EBITDAAL | △ +€1bn | ~+€600m (excl. Redundancy plan impact) |
| FREE CASH FLOW | △ +€350m | ~+€110m |

Accelerate with new initiatives - Financials

| | <i>Ambition2026</i> | | REPLICATE Our Track Record 2015-20 ¹ | | ACCELERATE New Initiatives |
|-----------------|---------------------|---|--|---|-------------------------------|
| SERVICE REVENUE | △ +€2bn | = | ~+€1.2bn | + | ~+€800m Volume & ABPU |
| EBITDAAL | △ +€1bn | = | ~+€600m | + | ~+€400m Revenue & Margin |
| FREE CASH FLOW | △ +€350m | = | ~+€110m | + | ~+€240m Stabilized CAPEX |

Our recipe for success: an outperforming Team that delivers!



Certified
Top Employer



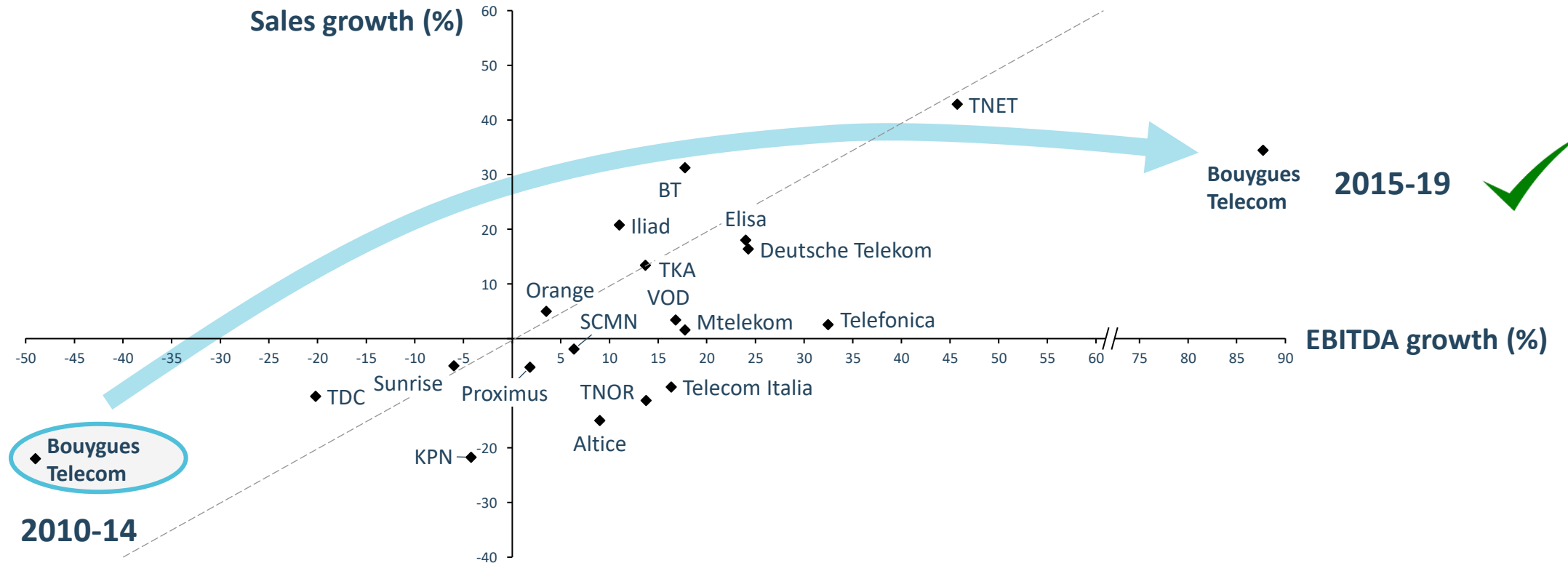
94% of employees are proud to work at Bouygues Telecom
(+1pt vs. 2017)

97% of employees are eager to give their best for the firm
(+2pts vs. 2018)

Bouygues Telecom, a star telecom value

Sales and EBITDA growth of selected telecom operators¹

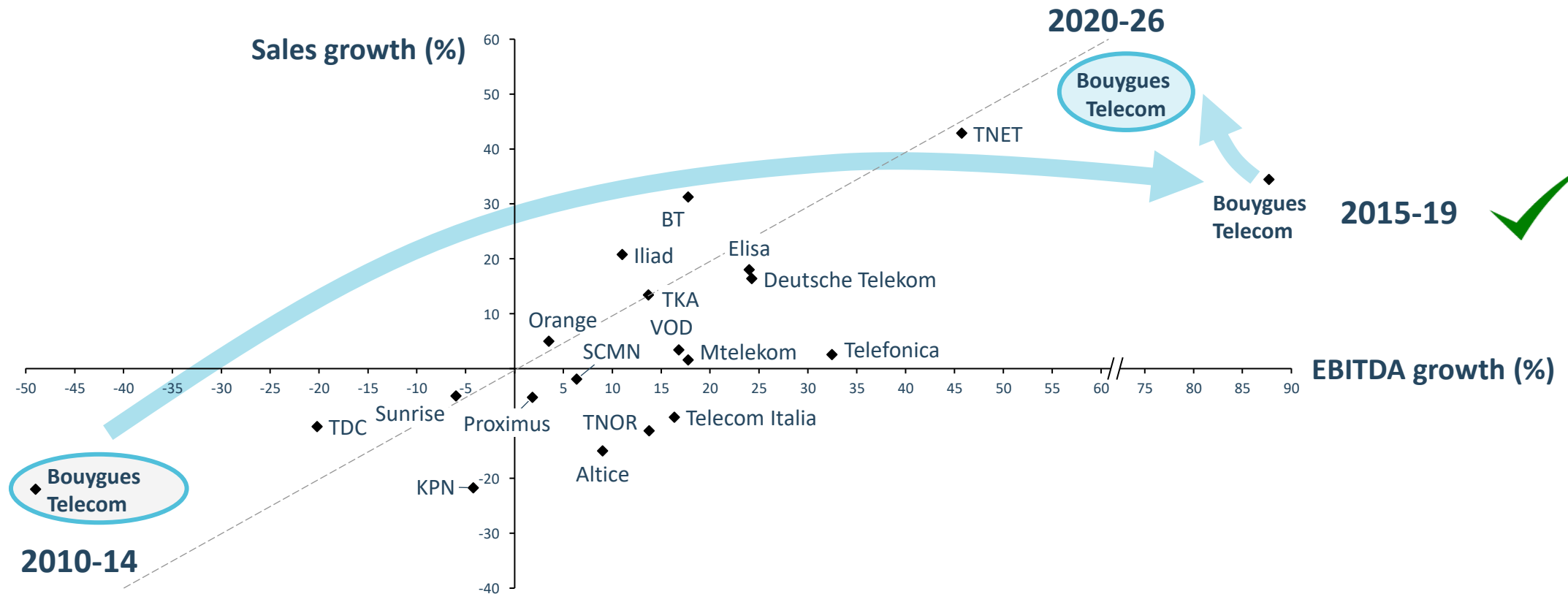
2019 vs. 2015, Cumulated growth over 4 years



Bouygues Telecom, a star telecom value

Sales and EBITDA growth of selected telecom operators¹

2019 vs. 2015, Cumulated growth over 4 years



Q&A