

Press release

Paris, November 14, 2024, 8:00 a.m.

The iliad Group records strong growth combined with a sharp rise in profitability

 Financial release

In the third quarter of 2024, the iliad Group was once again industry leader in Europe for revenue growth¹: in the first nine months of the year, the Group's revenues rose by 9.7%² to €7.5 billion. 1.7 million new Mobile and Fixed-line subscribers joined the Group during the period, including 377,000 in the third quarter. With profitability up sharply and an acceleration in cash flow generation, the Group's financial structure continues to strengthen. By becoming Europe's fifth largest telco³, the iliad Group has already achieved one of its two objectives for 2024 and affirms its second objective: achieving €10 billion in revenues for the full year.

In the first nine months of 2024, revenue growth for France was a brisk **9.2%** (8.4% in Q3), with market share gains and increases in ARPU; Poland reported a **10.9%** revenue rise (8.9% in Q3), driven by like-for-like growth of **4.2%** and a favorable currency effect; and Italy kept up its strong growth momentum, with revenues climbing **10.4%** (8.4% in Q3) in a fiercely competitive environment.

Free recorded another **solid number of net adds** both for the Mobile and Fixed segments, despite a more promotional market compared with the start of the year, and low volumes. In the third quarter, it gained 131,000 net new Mobile subscribers (186,000 on 4G/5G plans), 25,000 net new Broadband and Ultra-Fast Broadband subscribers, and 137,000 new Fiber subscribers. The Group once again demonstrated its dedication to offering the best technology at fair prices with **the nationwide commercial launch of 5G SA on September 18** – a first in France. Our subscribers' strong buy-in to the networks of the future also confirms the relevance of this strategy, since, at end-September 2024, almost 76% of Free Mobile subscribers on a 4G/5G package and over 80% of Freebox subscribers were connected to Free Fiber.

Play delivered a robust Q3 subscriber sales performance in the Mobile segment, continuing to win market share with 58,000 net adds, which offset the 41,000 decrease in the number of customers on prepaid plans. **Net adds for Broadband and Ultra-Fast Broadband reached 12,000 (7,000 net adds in Fixed overall)**, marking a good performance given the ongoing fierce competition in this market segment.

¹ Out of Europe's top 15 telcos.

² 8.1% on a pro forma like-for-like basis in the first nine months of 2024.

³ By number of subscribers.

In Italy, **iliad Italia** retained its position as the **net adds leader in the Mobile market** in Q3 for the 26th consecutive quarter, with **162,000 net new Mobile subscribers** – a solid performance in an extremely competitive market. **iliad Italia also ended Q3 as the leader¹ for Broadband and Ultra-Fast Broadband** net adds, signing up 36,000 new Fiber subscribers during the period. Iliad Italia's Mobile business saw its operating free cash flow³ double in the first nine months of the year, enabling it to amply cover the growth capex it needs for its Fiber subscriber base.

Consolidated EBITDAaL for the first nine months of 2024 rose steeply to €2.89 billion, with growth of 13.6%² for the nine-month period and 14.3%² in the third quarter. EBITDAaL widened by 130 bps to 38.8% in the first nine months (and by 210 bps in the third quarter), with all three of the Group's geographies seeing increases thanks to high operating leverage that helped absorb an increase in costs related to content, payroll and maintenance. Profit for the nine-month period advanced 19.3% to €450 million, with the rise in EBITDAaL partly offset by (i) a lower contribution from positive non-recurring items, (ii) an increase in depreciation and amortization expense, and (iii) a higher tax charge.

Consolidated capex amounted to **€1.5 billion in the first nine months of 2024, representing 20%** of revenues (a year-on-year decrease of 4.2-points). The Group's priorities are still to pursue the rollout of 5G in our three geographies, enhance the capacity of our mobile and fixed networks, support strong growth in our B2C and B2B subscriber base, and press ahead with our AI drive by purchasing additional computing power and expanding our data centers.

Operating free cash flow³ surged 44% in the third quarter, reaching **€1.40 billion at end-September 2024**. This has allowed the Group to **reinforce its financial structure**, with its leverage ratio coming in at **2.7x at end-September 2024** versus 3.0x at end-2023. In late October, the Group successfully carried out its first-ever issue of green bonds, for €500 million. The bonds have a maturity of just over five years and pay interest at 4.25% a year. In parallel with this issue, iliad SA launched a tender offer to repurchase €300 million worth of its bonds due in April 2025 and June 2026. At end-September, the Group was still in an excellent liquidity position, with €1.3 billion in cash and cash equivalents and €2.7 billion in undrawn credit facilities.

The Group's first green bond issue was fully in line with our CSR strategy, which has also resulted in (i) the integration since the beginning of the year of CSR criteria (diversity and reduction of Scope 1, 2 and 3 carbon emissions) into our main syndicated loans, and (ii) the completion of our third CDP questionnaire in mid-October.

Commenting on these results, Thomas Reynaud, Chief Executive Officer of the iliad Group, said: *"These solid Q3 results, combining strong growth and a sharp increase in bottom-line performance, demonstrate the strength of our brands, the impact of our innovations and the efficiency of our operations. Despite heightened competition, we're continuing to win market shares in each of our geographies, and we're standing by our target of achieving €10 billion in revenues for full-year 2024."*

¹ Out of Italy's top five telcos – internal estimates.

² 11.9% on a pro forma like-for-like basis in the first nine months of 2024 and 13.1% in Q3 2024.

³ EBITDAaL less capex (excluding payments for frequencies).

Key operating performance indicators¹ at September 30, 2024

France (figures in thousands unless otherwise stated)	Q2 2024	Q3 2024	QoQ change
Number of Mobile subscribers	15,337	15,468	+131
<i>Of which on the 4G/5G Free Mobile plan (incl. overseas France)</i>	<i>11,530</i>	<i>11,716</i>	<i>+186</i>
<i>% of the Mobile subscriber base on the 4G/5G Free Mobile plan</i>	<i>75.2%</i>	<i>75.7%</i>	<i>+50 bps</i>
<i>Of which on the voice-based plan</i>	<i>3,807</i>	<i>3,752</i>	<i>-55</i>
Number of Broadband and Ultra-Fast Broadband subscribers	7,539	7,564	+25
<i>- Of which Fiber</i>	<i>5,937</i>	<i>6,074</i>	<i>+137</i>
Fiber take-up rate	78.7%	80.3%	+1.60 pts
Number of connectible Fiber sockets (in millions)	37.0m	37.6m	+0.6m
Total number of subscribers - France	22,877	23,032	+155
	Q3 2023	Q3 2024	YoY change
Broadband and Ultra-Fast Broadband ARPU (in €)	35.3	36.6	+3.7%
Mobile ARPU billed to subscribers (in €)	12.5	12.5	+0.5%

Italy (figures in thousands)	Q2 2024	Q3 2024	QoQ change
Number of Mobile subscribers	11,285	11,447	+162
Number of Fiber subscribers	280	316	+36
Total number of subscribers - Italy	11,565	11,763	+198

Poland (figures in thousands unless otherwise stated)	Q2 2024	Q3 2024	QoQ change
Number of active Mobile subscribers	13,301	13,318	+17
- <i>Of which on plans</i>	<i>9,505</i>	<i>9,563</i>	<i>+58</i>
- <i>Of which prepaid</i>	<i>3,796</i>	<i>3,755</i>	<i>-41</i>
Number of Fixed-line subscribers	2,090	2,097	+7
Total number of subscribers - Poland	15,391	15,416	+24
	Q3 2023	Q3 2024	YoY change
Mobile ARPU billed to subscribers (in PLN)	30.4	32.6	+7.2%

GROUP (figures in thousands)	Q2 2024	Q3 2024	QoQ change
Number of Mobile subscribers	39,924	40,233	+310
Number of Fixed-line subscribers	9,909	9,977	+68
TOTAL NUMBER OF SUBSCRIBERS	49,833	50,211	+377

¹ See glossary for definitions.

Nine-month/third-quarter 2024 revenues

The table below shows the breakdown of consolidated revenues by category for the nine-month and three-month periods ended September 30, 2024 and September 30, 2023.

<i>In € millions</i>	Q3 2023	Q3 2024	% change	9M 2023	9M 2024	% change
Consolidated revenues	2,354	2,554	+8.5%	6,797	7,456	+9.7%
Consolidated services revenues ¹	2,165	2,353	+8.7%	6,270	6,862	+9.4%
Consolidated revenues from devices	196	209	+6.7%	543	613	+12.9%
<i>Intra-group sales</i> ²	(7)	(9)	+36.8%	(16)	(19)	+17.7%
Revenues – France	1,539	1,669	+8.4%	4,457	4,865	+9.2%
- Services ¹	1,455	1,564	+7.5%	4,241	4,587	+8.2%
- Devices	86	106	+23.3%	220	283	+28.6%
- Intra-group sales – France	(2)	(1)	-19.4%	(4)	(5)	+12.9%
Revenues – Italy	269	291	+8.4%	764	843	+10.4%
- Services	265	288	+8.8%	753	835	+11.0%
- Devices	4	3	-18.8%	11	8	-29.1%
Revenues – Poland³	552	601	+8.9%	1,588	1,761	+10.9%
- Services	445	501	+12.4%	1,277	1,440	+12.8%
- Devices	106	100	-5.8%	311	321	+3.3%

¹ Services revenues before Intra-group sales.

² Intra-group sales including France.

³ EUR/PLN exchange rate: 4.30532 for 9M 2024 and 4.582 for 9M 2023

Key financial performance indicators for the first nine months of 2024

<i>In € millions</i>	9M 2023	9M 2024	% change
Consolidated revenues	6,797	7,456	+9.7%
France	4,457	4,865	+9.2%
Italy	764	843	+10.4%
Poland	1,588	1,761	+10.9%
<i>Intra-group sales</i>	(12)	(14)	+15.3%
Consolidated EBITDAaL	2,545	2,892	+13.6%
France	1,736	1,947	+12.1%
Italy	189	232	+22.7%
Poland	620	713	+15.1%
Consolidated capex (excluding payments for frequencies)	1,643	1,489	-9.3%
France	1,262	1,081	-14.4%
Italy	194	191	-1.5%
Poland	186	217	+17.0%
Operating free cash flow (EBITDAaL less capex)	903	1,403	+55.4%
France	474	866	+82.8%
Italy	(5)	41	Nm
Poland	434	496	+14.3%
Profit for the period	377	450	+19.3%
	Dec. 31, 2023	Sept. 30, 2024	Change
Net debt	10,243	10,303	+60
LTM EBITDAaL ¹	3,444	3,790	+347
Leverage ratio	3.0x	2.7x	-0.3x

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 subscribers: Subscribers who have signed up for the Group's ADSL, VDSL or FTTH offerings.

Broadband and Ultra-Fast Broadband ARPU: Includes revenues from the flat-rate package and value-added services, divided by the total number of Broadband and Ultra-Fast Broadband subscribers billed for the last month of the quarter.

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 fixed 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 some 18,200 employees serving more than 50.2 million subscribers, and generated €9.9 billion in revenues in the twelve months ended September 30, 2024. In France, the Group is an integrated Fixed and Mobile Ultra-Fast Broadband operator and had 23.0 million subscribers at end-September 2024 (15.5 million Mobile subscribers and 7.6 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 and at end-September 2024 had over 11.4 million Mobile subscribers and 316,000 Fiber subscribers. In Poland, the Group is an integrated convergent operator, and at end-September 2024 had 13.3 million Mobile subscribers and nearly 2.1 million Fixed-line subscribers. In the second quarter of 2024, the iliad Group became Europe's fifth-largest operator by number of retail Mobile subscribers (excluding M2M) and it remains the fifth-largest Fixed Broadband operator.

To find out more

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