



2020 HALF-YEAR RESULTS

PRESENTATION TO FINANCIAL ANALYSTS

July 20, 2020



HIGHLIGHTS

H1 2020 HIGHLIGHTS

HIGHLIGHTS
BUSINESS REVIEW
FINANCIAL REVIEW
APPENDICES

STABILITY OF CONSOLIDATED REVENUE
DESPITE THE EFFECTS OF THE HEALTH CRISIS

MAD 18.3 billion

GROWTH OF
GROUP'S EBITDA

+1.4%⁽¹⁾

INCREASE IN
FIXED-LINE REVENUE
IN MOROCCO

+1.5%

SURGE IN
MOBILE DATA REVENUE

+15%
MOROCCO

+27%⁽¹⁾
SUBSIDIARIES

HIGH SPEED MOBILE
COVERAGE
IN MOROCCO

99%

⁽¹⁾ On a like-for-like basis. The like-for-like basis shows the effects of consolidating Tigo Chad as though the consolidation had actually occurred on January 1, 2019, and the use of a constant exchange rate.

REGULATORY HIGHLIGHTS

Morocco

The terms of the ANRT decision concerning the referral to Wana on unbundling related to a financial penalty and injunctions are respected in accordance with the time limits;

—

Withdrawal of Wana's judicial request on unbundling which was brought before the commercial court of Rabat;

—

Mobile Call termination price asymmetry maintained to the advantage of competitors (20% with Inwi et 6% with Orange);

—

ANRT preparation of the General Guidance Note for telecommunications sector development by 2023 in progress. The note is initially scheduled for 2019.

Subsidiaries

Two tenders for 4G licence in Mauritania, declared unsuccessful;

—

Mobile Call termination decrease in Gabon, Mali, Togo and Chad;

—

New decrees strengthening customer identification obligations in Mali, Gabon, Benin and Niger;

—

Continuous pressure from regulators on quality of service obligations;

—

Continued pressure from sectoral contributions.

EFFECTIVE MANAGEMENT OF THE COVID-19 CRISIS

Management of the crisis

Organization of working and health security conditions for employees to ensure business continuity;

—

Continuity of the technical and commercial service with the main focus on teleworking and the digitalization of functions and processes;

—

Launch of the e-store, making it easier to sign up for, purchase and pay for Mobile and Internet services online;

—

Covid-19 testing of all employees and on-site suppliers;

—

Supply chain enhancement (commercial and technical);

—

Extension of international bandwidth to accommodate increased use and to maintain quality of service.

Impact of the crisis

Economic recession (-5.2% in 2020 in Morocco according to Bank Al-Maghrib and 1.7% on average in the countries where the Group is present) and impact on household spending;

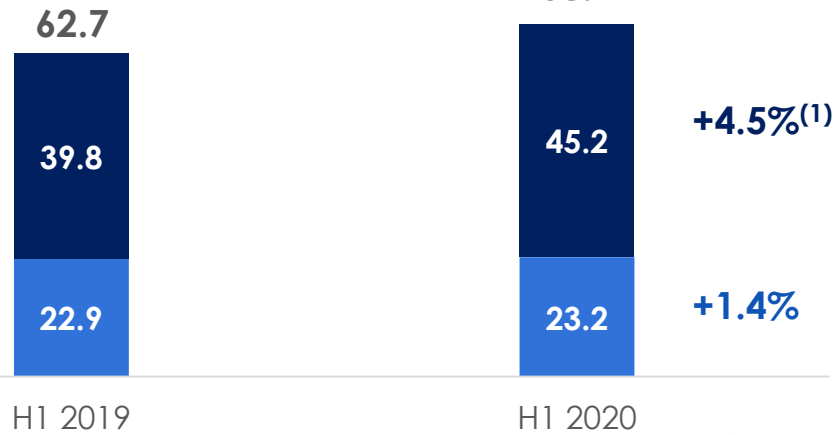
—

Decrease in the activity (prepaid, roaming and international incoming);

OVERVIEW

Increase in customer base (million)

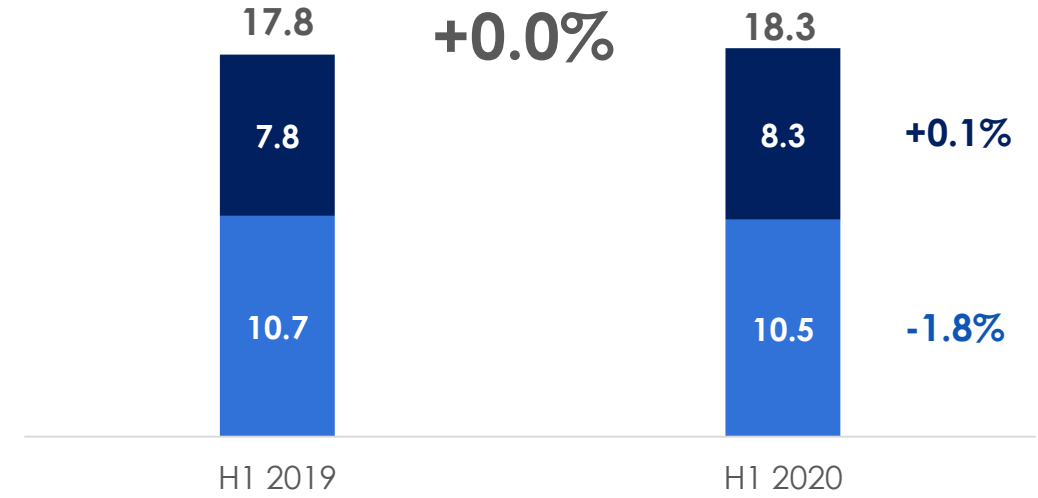
+9.1%



▲ Morocco ▲ International

Stable consolidated revenue⁽¹⁾ (billion of MAD)

+0.0%



Stable revenue despite the health crisis, driven by the growth in **Mobile and Fixed-line Data in Morocco and the subsidiaries**

More than **68 million** customers in the Group (**up 9%**) partly due to the integration of Tigo Chad into the Group's scope since 1 July 2019

⁽¹⁾ On a like-for-like basis. The like-for-like basis shows the effects of consolidating Tigo Chad as though the consolidation had actually occurred on January 1, 2019, and the use of a constant exchange rate.

H1 2020 RESULTS AND REVISED GUIDANCE

2020 Outlook⁽¹⁾

February 2020 release

STABLE REVENUE

STABLE EBITDA

CAPEX⁽²⁾ OF
APPROXIMATELY 15%
OF REVENUE

H1 2020 Performance⁽¹⁾

+0.0%

+1.4%

6.5%

Revised outlook due to the health crisis context⁽¹⁾

SLIGHT DECREASE IN
REVENUE

SLIGHT DECREASE IN
EBITDA

CAPEX⁽²⁾ OF
APPROXIMATELY 10%
OF REVENUE

⁽¹⁾ On a like-for-like basis

⁽²⁾ Excluding frequencies & licences

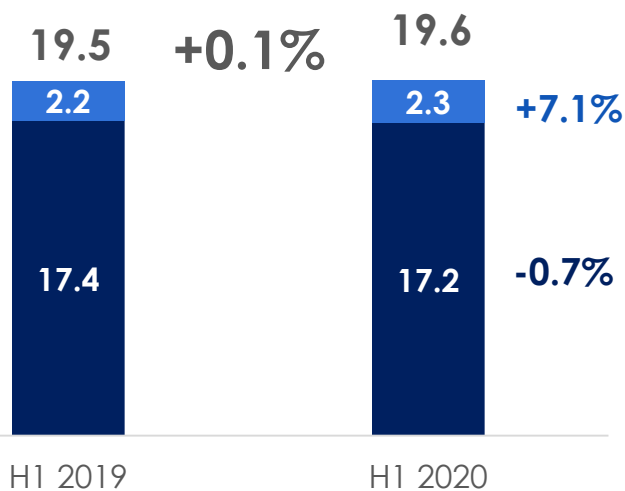


BUSINESS REVIEW

MOROCCO / MOBILE

Mobile customer base

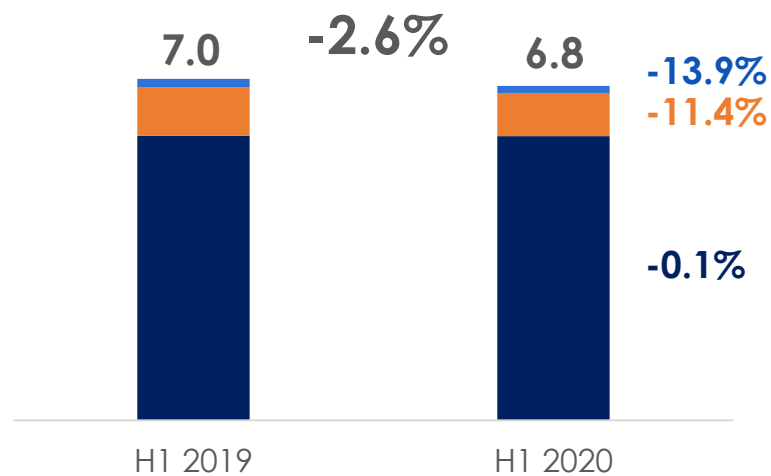
(million)



▲ Prepaid ▲ Postpaid

Mobile revenue

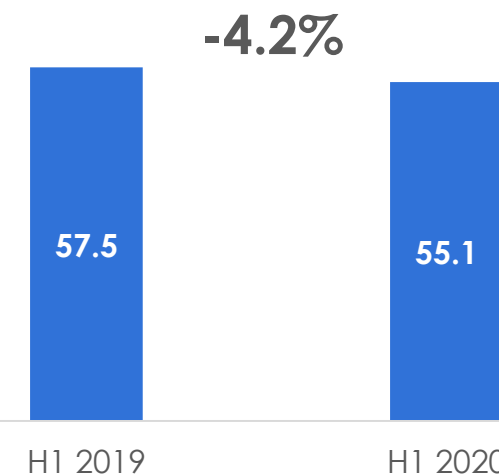
(billion of MAD)



▲ Outcoming revenue ▲ Incoming revenue
 ▲ Equipment

ARPU

(MAD/month)

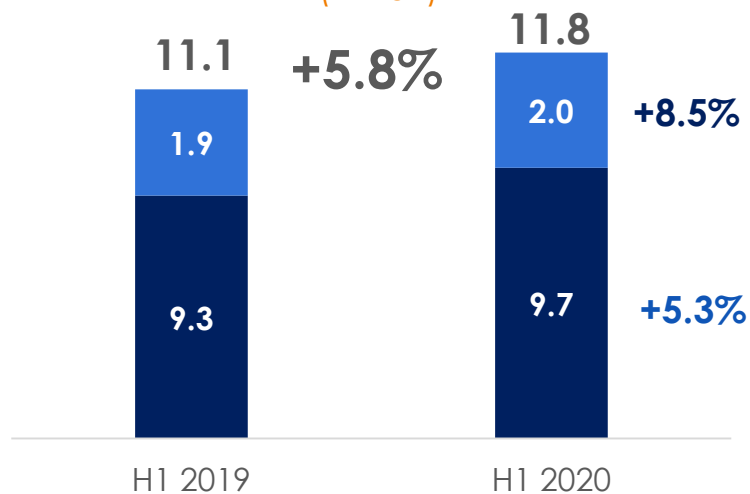


Decline in Mobile incoming revenue due to decline in Mobile voice traffic

MOROCCO / MOBILE INTERNET : Continued growth

Mobile Internet customer base

(million)



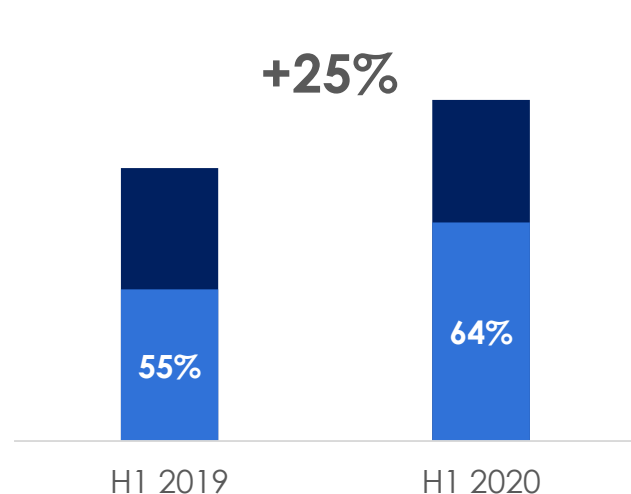
▲ Prepaid ▲ Postpaid

Penetration rate⁽¹⁾

56%

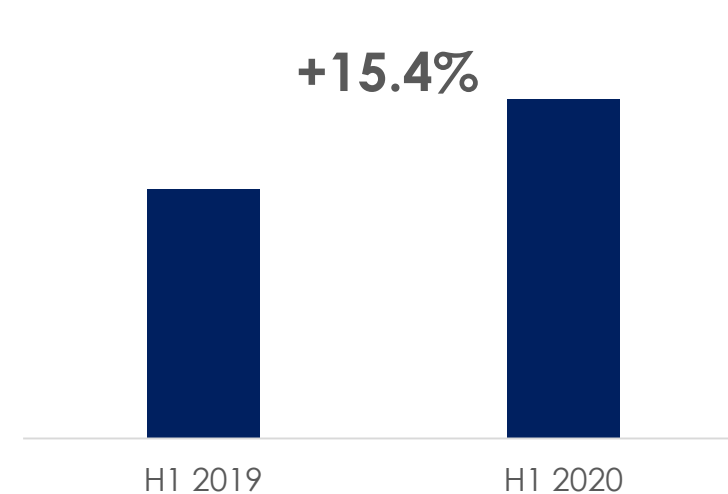
60%

Data traffic



▲ Of which 4G traffic

Data revenue

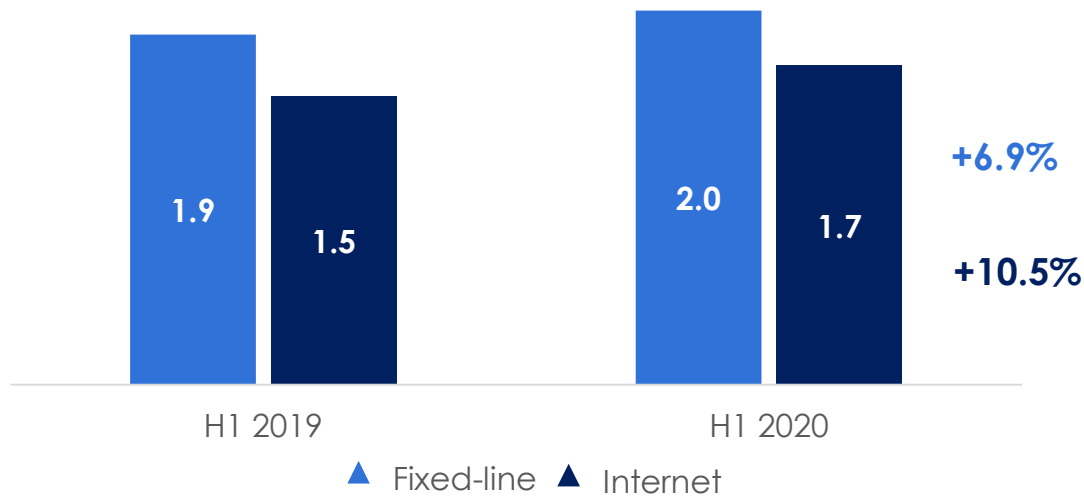


Strong rise in Data traffic at the beginning of the health crisis

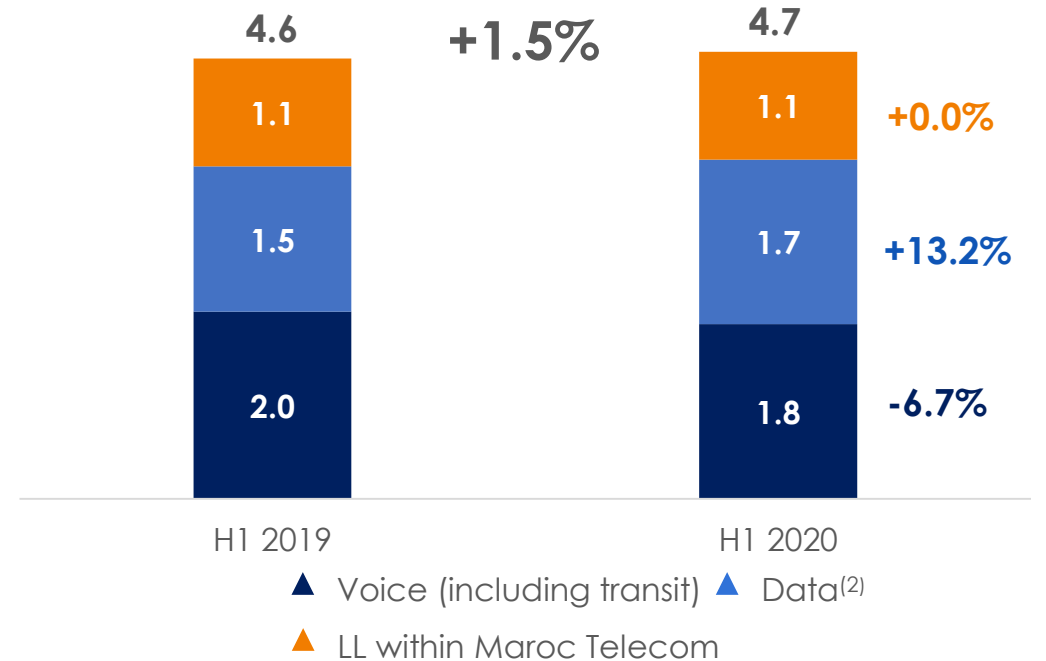
⁽¹⁾ Calculated based on Maroc Telecom's Mobile customer base

MOROCCO / FIXED-LINE AND INTERNET : Increase in Data revenue

Fixed-line & Internet customer bases⁽¹⁾
 (million)



Fixed-line and Internet revenue
 (billion of MAD)



Strong Fixed-line performance driven by Data

High installations of fiber-optic lines (+40% increase in the FTTH customer base)
 and **increase in ADSL lines** (+9%)

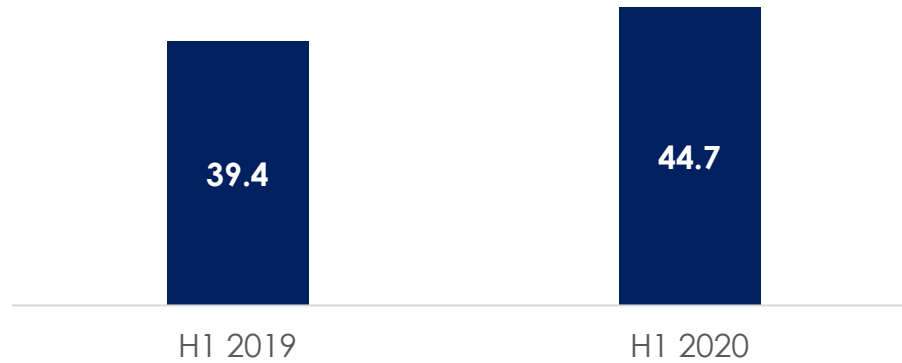
⁽¹⁾ Including low bandwidth, leased lines and FTTH

⁽²⁾ Fixed-line data includes Internet, ADSL TV and Data services to businesses

INTERNATIONAL / Revenue sustained by Data

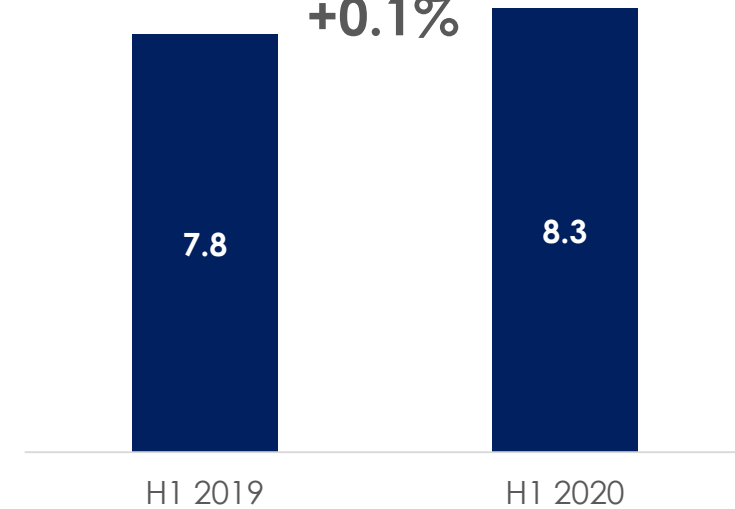
Mobile customer base (million)

+4.5%⁽¹⁾



Revenue⁽¹⁾ (billion of MAD)

+0.1%



Mobile customer base continue to grow (+4,5%⁽¹⁾)

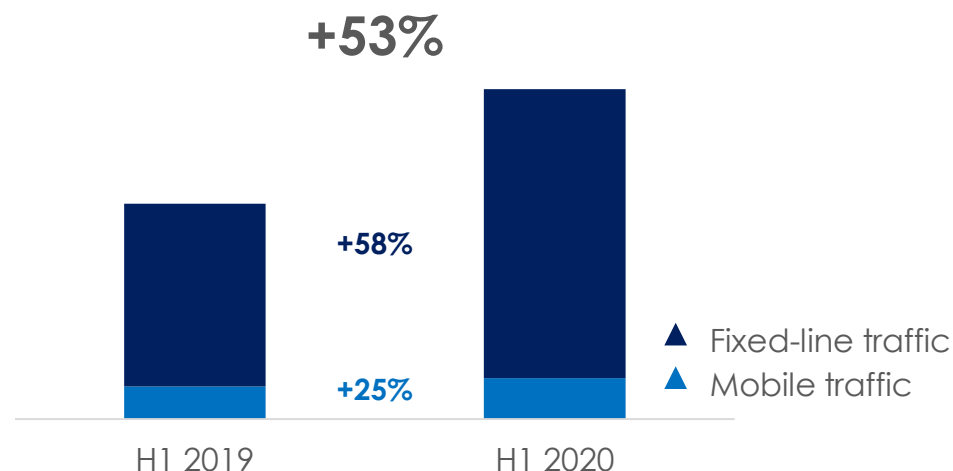
Slowdown in the commercial dynamic following the various measures decreed within the framework of the state of health emergency

Drop in incoming international traffic offset by the **27% jump in Mobile Data and 16% jump in Mobile Money**

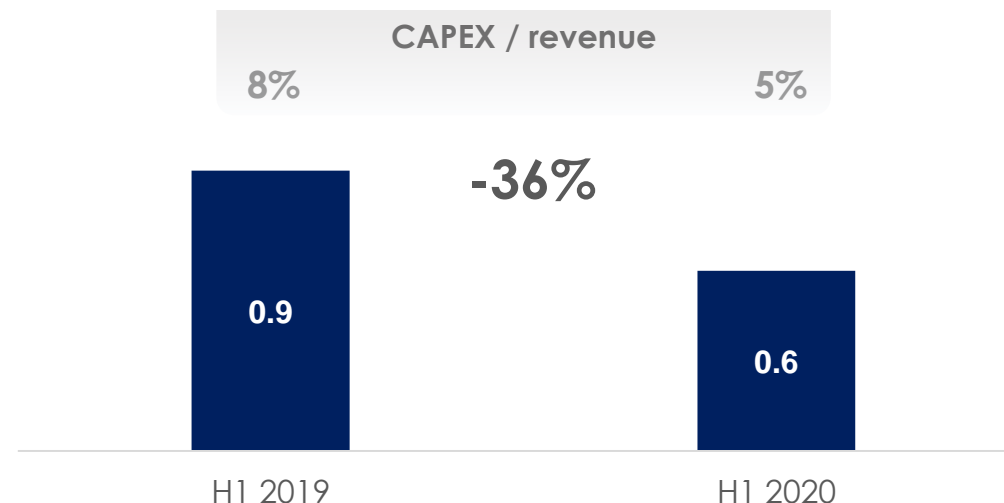
⁽¹⁾ On a like-for-like basis. The like-for-like basis shows the effects of consolidating Tigo Chad as though the consolidation had actually occurred on January 1, 2019, and the use of a constant exchange rate.

MOROCCO / Investments

Change in Data traffic



Capex⁽¹⁾ (billion of MAD)



53% increase in Data traffic driven by Fixed-line traffic during the lockdown period

The rollout of extensions on 4G helped improve speeds and mobile coverage, which was 99% of the population in Mobile High Speed.

Adjustment of capital expenditure to current circumstances

During the 1st half of the year, capital expenditure was directed at supporting strong demand in fixed-line internet access, growth in Data traffic and quality of service.

⁽¹⁾ Excluding frequencies & licenses

INTERNATIONAL / Investments

Change in physical radio sites

3G sites +15%
 4G sites +38%

+4%



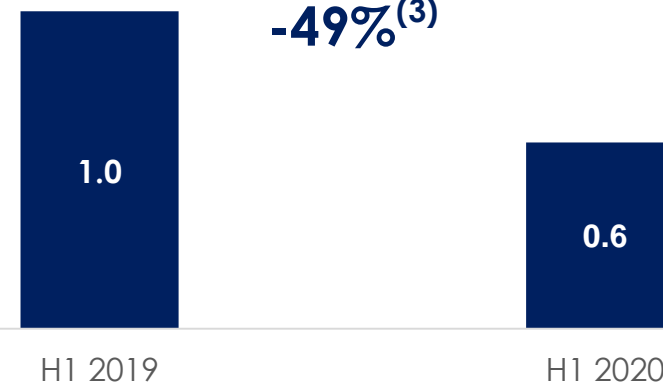
Capex⁽²⁾ (billion of MAD)

CAPEX / CA

13%

7%

-49%⁽³⁾



Capital expenditure in the first half of the year was directed at broadening Mobile coverage, with a focus on expanding Mobile Data and updating infrastructure in order to support growth in Data and Voice use.

⁽¹⁾ Modified following the integration of Tigo Chad

⁽²⁾ Excluding frequencies & licenses

⁽³⁾ At a constant exchange rate and factoring in the consolidation of Tigo Chad

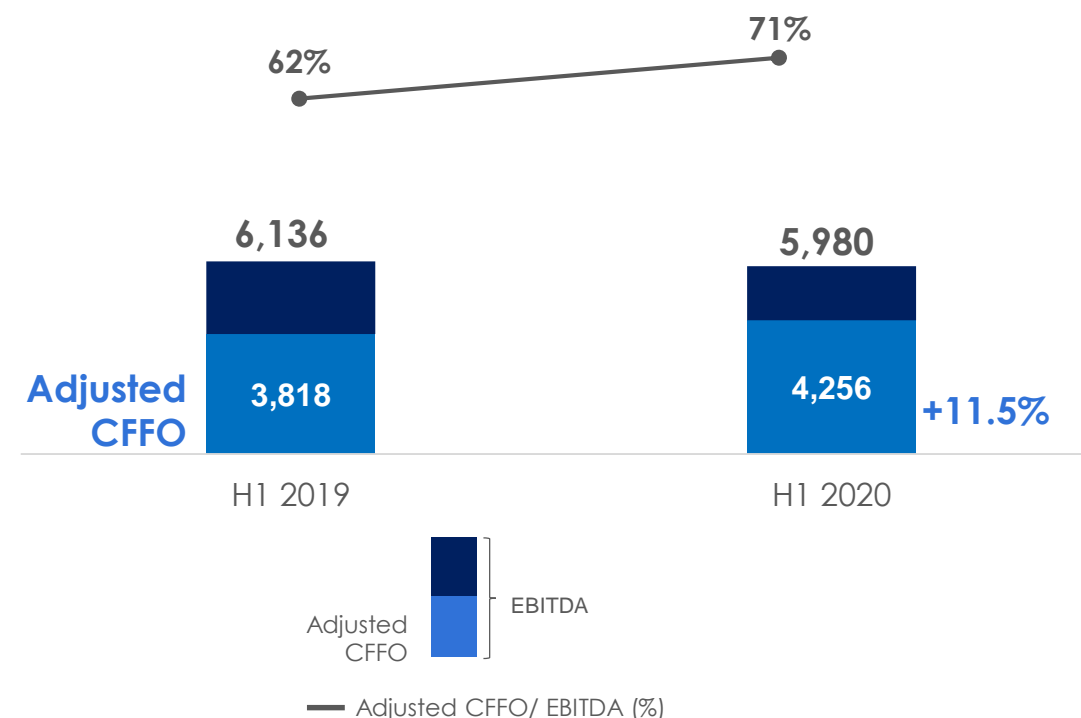


FINANCIAL REVIEW

MOROCCO – Maintaining high margins

Million of MAD	H1 2019	H1 2020	Change
Revenue	10,713	10,524	-1.8%
EBITDA	6,136	5,980	-2.5%
Margin (%)	57.3%	56.8%	-0.5 pt
Adjusted EBITA ⁽¹⁾	4,170	4,037	-3.2%
Margin (%)	38.9%	38.4%	-0.6 pt
CAPEX	877	564	-35.7%
Of which licenses and frequencies	0	0	
CAPEX / revenue (excluding licenses and frequencies)	8.2%	5.4%	-2.8 pt
Adjusted CFFO ⁽¹⁾	3,818	4,256	+11.5%
% EBITDA	62.2%	71.2%	+8.9 pt
Net debt	15,299	11,891	-22.3%
Net debt / EBITDA ⁽²⁾	1.2x	0.9x	

Good cash generation (in million of MAD)



(1) Refer to Appendix 2
(2) Excluding IFRS16 impact

INTERNATIONAL

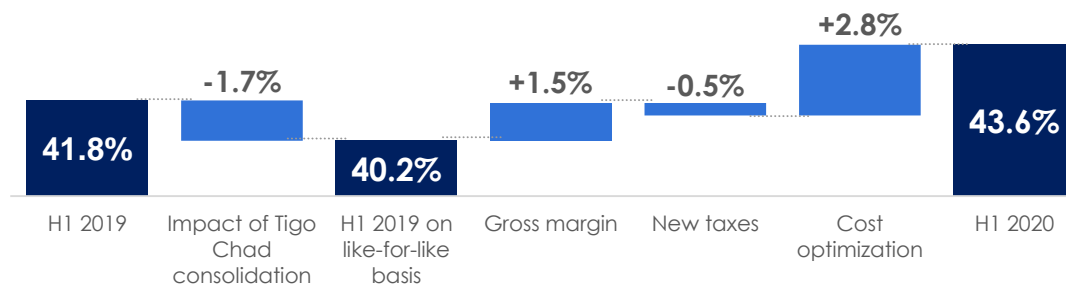
Million of MAD	H1-2019	H1-2020	Change	Change on a like-for-like basis ⁽¹⁾
Revenue	7,824	8,318	+6.3%	+0.1%
EBITDA	3,273	3,623	+10.7%	+8.5%
Margin (%)	41.8%	43.6%	+1.7 pt	+3.4 pt
Adjusted EBITA ⁽²⁾	1,692	1,798	+6.3 %	+8.8 %
Margin (%)	21.6%	21.6%	+0,0 pt	+1.7 pt
CAPEX	2,351	622	-73.5%	-75.5%
Of which licenses and frequencies	1,327	0		
CAPEX / revenue (excluding licenses and frequencies)	13.1%	7.5%	-5.6 pt	-7.3 pt
Adjusted CFFO ⁽²⁾	1,909	2,843	+48.9%	+42.6%
% EBITDA	58.3%	78.5%	+20.1 pt	+18.7 pt
Net debt	8,698	8,206	-5.7%	+0.3%
Net debt / EBITDA ⁽³⁾	1.3x	1.1x		

⁽¹⁾ On a like-for-like basis. The like-for-like basis shows the effects of consolidating Tigo Chad as though the consolidation had actually occurred on January 1, 2019, and the use of a constant exchange rate

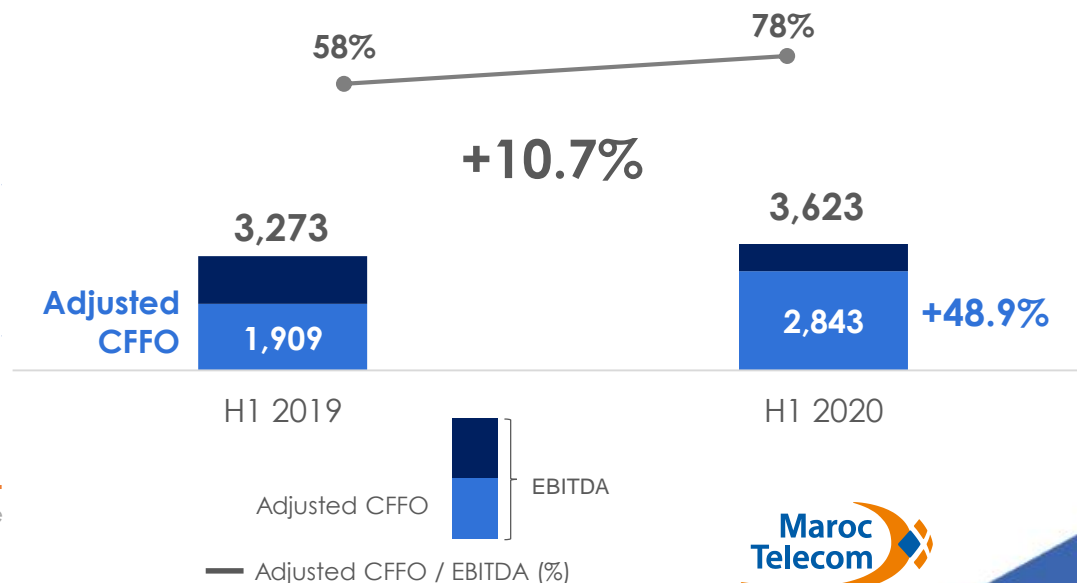
⁽²⁾ Refer to Appendix 2

⁽³⁾ Excluding IFRS16 impact

High EBITDA margin improved despite the health crisis context (in %)



Solid cash generation (in million of MAD)

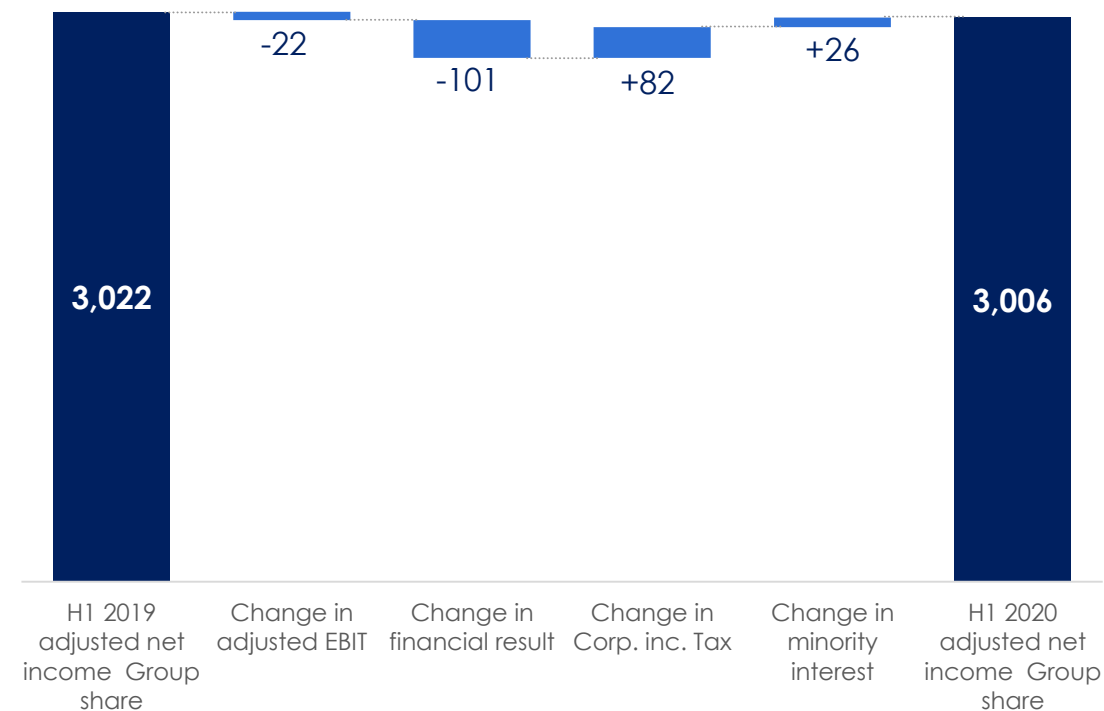


MAROC TELECOM GROUP

Consolidated results

Million of MAD	H1-2019	H1 2020	Change	Change on a like-for-like basis ⁽¹⁾
Revenue	17,844	18,323	+2.7%	+0.0%
EBITDA	9,409	9,603	+2.1%	+1.4%
Margin (%)	52.7%	52.4%	-0.3 pt	+0.7 pt
Adjusted EBITA ⁽²⁾	5,862	5,836	-0.5%	+0.2%
Margin (%)	32.9%	31.8%	-1.0 pt	+0.1 pt
Financial income	-331	-432	+30.3%	
Corporate tax	-2 040	-1,958	-4.0%	
Minority interests	-463	-437	-5.6%	
Adjusted net income ⁽²⁾ Group share	3,022	3,006	-0.5%	+1.5%
Margin (%)	16.9%	16.4%	-0.5 pt	+0.3 pt

Group share of adjusted net income (in million of MAD)



⁽¹⁾ On a like-for-like basis. The like-for-like basis shows the effects of consolidating Tigo Chad as though the consolidation had actually occurred on January 1, 2019, and the use of a constant exchange rate

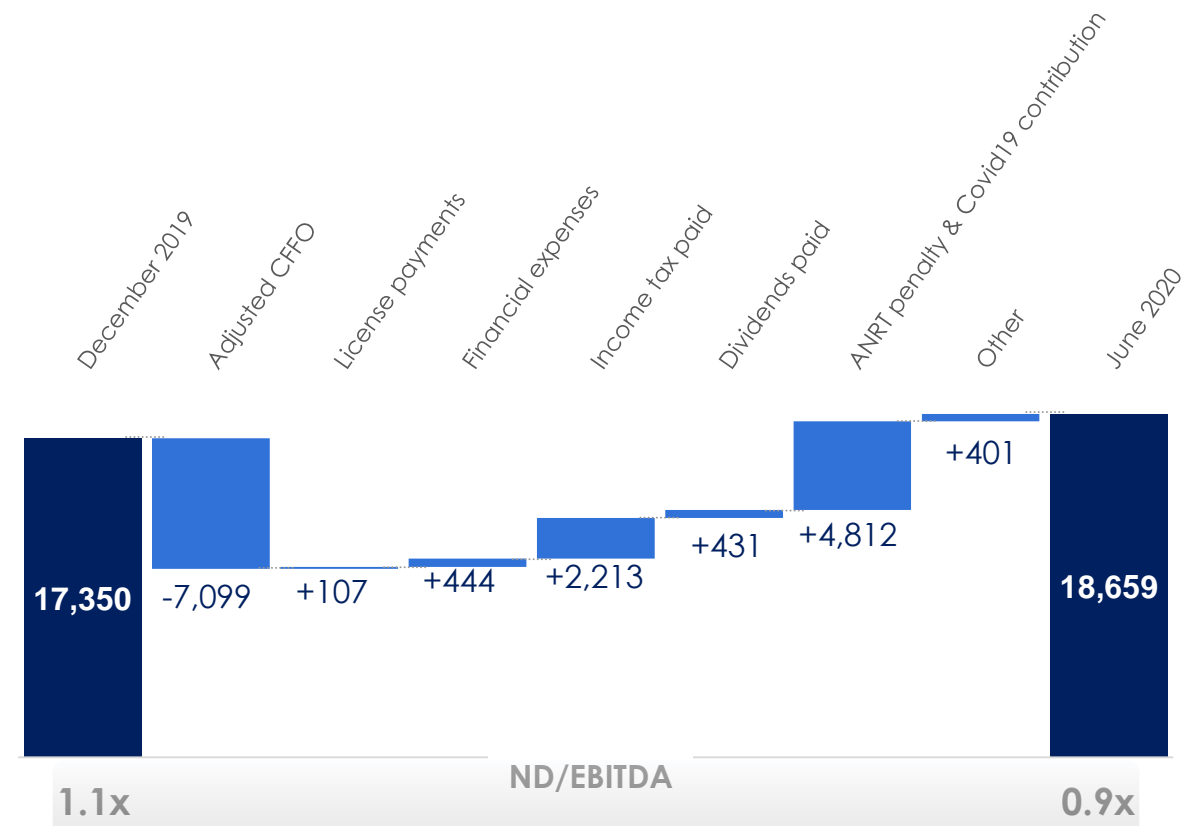
⁽²⁾ Refer to Appendix 2

MAROC TELECOM GROUP

Consolidated Cash Flow

Million of MAD	H1-2019	H1 2020	Change	Change on a like-for-like basis ⁽¹⁾
EBITDA	9,409	9,603	+2.1%	+1.4%
CAPEX	3,227	1,186	-63.3%	-65.4%
Of which licenses and frequencies	1,327	0		
CAPEX / revenue (excluding licenses and frequencies)	10.7%	6.5%	-4.2 pt	-5.4 pt
Adjusted CFO ⁽²⁾	5,728	7,099	+23.9%	+22.2%
% EBITDA	60.9%	73.9%	+13.1 pt	+12.6 pt
Financial expenses	-436	-444	+1.9%	
Income tax paid	-1,870	-2,213	+18,3%	
Adjusted CFAIT ⁽²⁾	3,422	4,443	+29,8%	
% EBITDA	36.4%	46.3%	+9,9 pt	
Net debt	21,034	18,659	-11.3%	-9.0%
Net debt / EBITDA ⁽³⁾	1.1x	0.9x		

Net debt (in million of MAD)



⁽¹⁾ On a like-for-like basis. The like-for-like basis shows the effects of consolidating Tigo Chad as though the consolidation had actually occurred on January 1, 2019, and the use of a constant exchange rate.

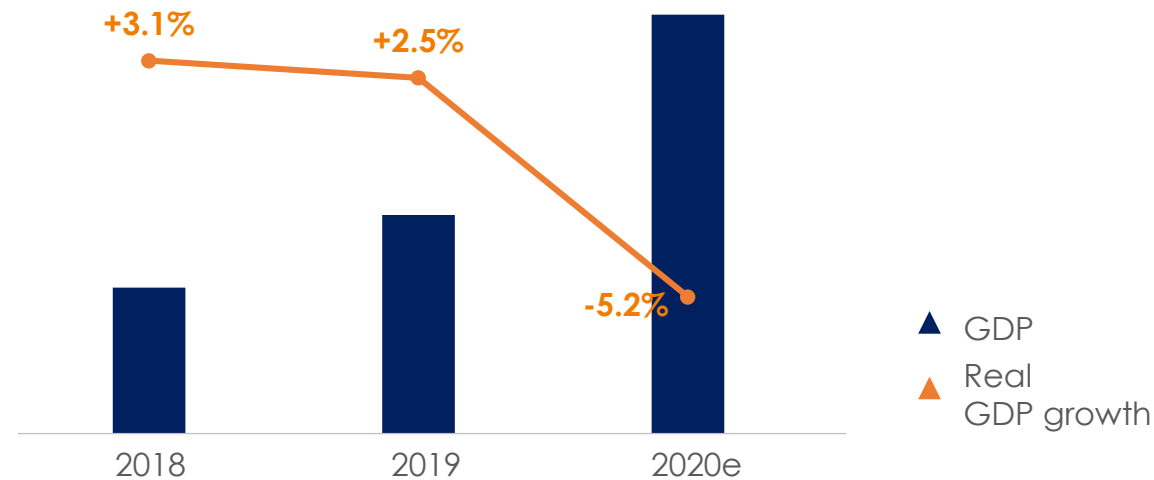
⁽²⁾ Refer to Appendix 2



APPENDICES

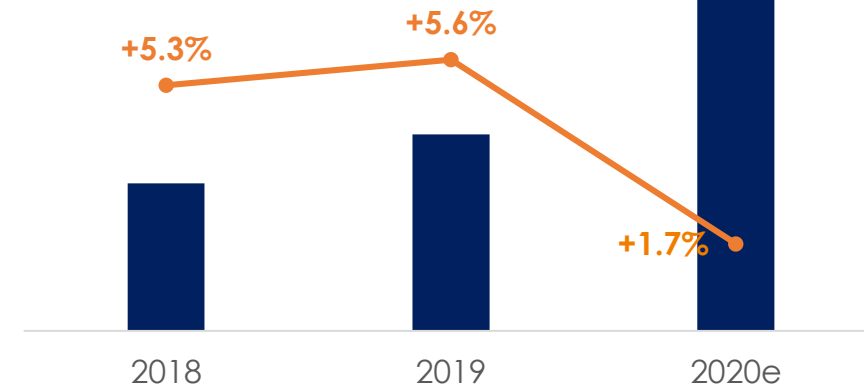
Appendix 1 / Macroeconomic environment

Morocco⁽¹⁾



Le Morocco is expected to experience a recession in 2020 due to a significant fall in exports, tourism and financial transfers as well as a temporary hiatus in economic activity following the pandemic.

International⁽²⁾



The COVID-19 pandemic has had a more significant impact on activity in the countries where the Group operates than expected in the first half 2020, and the recovery should prove more gradual than first thought.

⁽¹⁾ Ministry of the Economy and Finance (Draft Amending Finance Law for the 2020 budget year)
⁽²⁾ Source: IMF – April 2020

Appendix 2 / Transition from adjusted financial indicators to published financial indicators

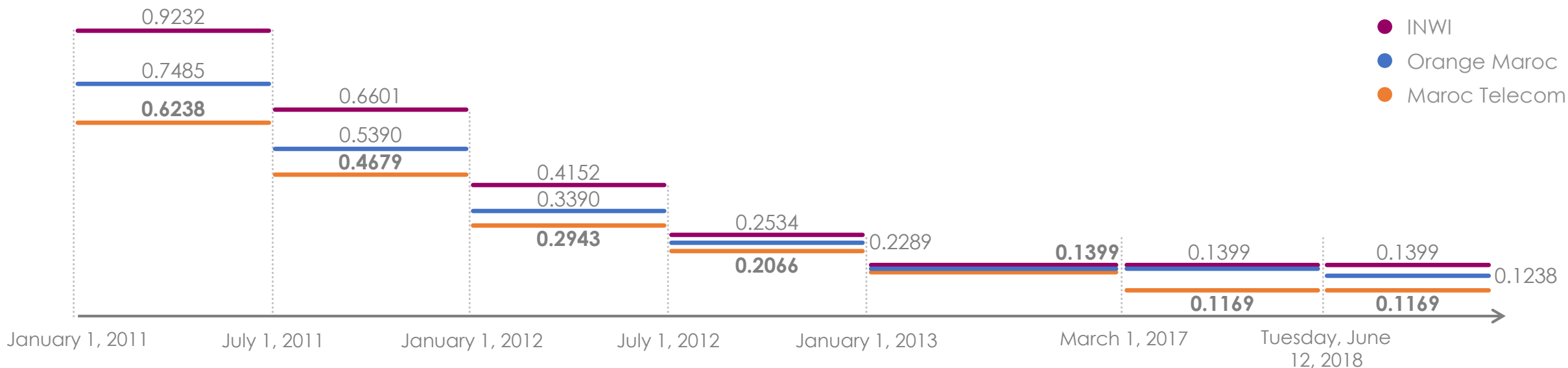
MAD million	H1 2019			H1 2020		
	Morocco	International	Group	Morocco	International	Group
Adjusted EBITA	4,170	1,692	5,862	4,037	1,798	5,836
Published EBITA	4,170	1,692	5,862	4,037	1,798	5,836
Adjusted net income – Group share			3,022			3,006
Contribution Covid 19 fund						-1,038
Published net income – Group share			3,022			1,969
Adjusted CFO	3,818	1,909	5,728	4,256	2,843	7,099
License payments		-1,841	-1,841		-107	-107
ANRT penalty				-3,300		-3,300
Published CFO	3,818	68	3,887	956	2,736	3,692

Appendix 3 / Impact of the adoption of IFRS 16

MAD million	H1 2020		
	Morocco	International	Group
EBITDA	+137	+138	+275
Adjusted EBITA	+23	+21	+44
Group share of adjusted Net Income			0
Adjusted CFO	+137	+138	+275
Net Debt	+881	+729	+1,610












Appendix 4 / Regulatory Environment in Morocco

Mobile termination rates (MAD)



Between 2011 and 2013, Mobile call termination rates were on average linear at peak hours and off-peak hours.

Appendix 5/ Current presence of the Maroc Telecom Group

	MOROCCO	MAURITANIA	BURKINA FASO	GABON	MALI	CÔTE D'IVOIRE	BENIN	TOGO	NIGER	CENTRAL AFRICA	CHAD
											
Acquisition year		2001	2006	2007	2009	2015	2015	2015	2015	2015	2019
Percentage held		52%	61%	51%	51%	85%	100%	95%	100%	100%	100%
Population (millions)	36.0	4.1	20.9	2.1	19.7	27.0	12.1	8.4	24.2	5.3	13.1
GDP (\$ billion)	125	5.9	15.8	17.6	19.0	48.4	15.5	6.0	10.3	2.5	11.9
Mobile penetration	131%	97%	97%	143%	96%	141%	79%	77%	47%	28%	49%
Mobile market share (customer base)	43%	64%	42%	54%	36%	25%	44%	53%	28%	11%	52%
Competitive position	1/3	1/3	2/3	1/2	2/3	3/3	2/3	2/2	2/4	3/4	1/2
2G/3G technology	●	●	●	●	●	●	●	●	●	●	●
4G technology	●		●	●	●	●	●	●			●

Source : Dataxis – Q1 2020, FMI & ANRT – Q4 2019

A Important legal warnings

Forward-looking statements

This presentation contains forward-looking statements and elements relating to the financial position, operating results, strategy and outlook for Maroc Telecom and the impacts of certain transactions. Although Maroc Telecom considers that these forward-looking statements are based on reasonable assumptions, they do not constitute guarantees as to the Company's future performance. The effective results may be very different from the forward-looking statements due to a certain number of known and unknown risks and uncertainties, most of which are beyond our control, notably the risks described in the public documents filed by Maroc Telecom with the Autorité Marocaine du Marché des Capitaux (Moroccan Capital Markets Authority, www.ammc.ma) and the Autorité des Marchés Financiers (French Financial Markets Authority, www.amf-france.org), also available in French on our website (www.iam.ma). This presentation contains forward-looking information that may only be assessed on the day of its publication. Maroc Telecom makes no commitment to complete, update or amend these forward-looking statements as a result of new information, a future event or any other reason, subject to the applicable regulations notably Articles III.2.31 et seq. of the Autorité Marocaine du Marché des Capitaux circular and 223-1 et seq. of the Autorité des Marchés Financiers General Regulation.