

HALF-YEAR RESULTS 2021

27 July 2021



HIGHLIGHTS

01.

◆ 2021 HALF YEAR HIGHLIGHTS

> Highlights
Business review
Financial review
Appendices

INCREASE IN
THE GROUP'S CUSTOMER
BASE



+7.5%

SUSTAINED HIGH GROUP
EBITDA MARGIN



51.5%

ACCELERATION OF
INVESTMENTS TO SUPPORT
THE GROWTH IN TRAFFIC
AND CUSTOMER BASES



11.9%
of revenues

SUSTAINED GROWTH
IN FIXED DATA REVENUES
IN MOROCCO



+7.7%

CONTINUED REVENUES
GROWTH OF MOOV AFRICA
SUBSIDIARIES



+2.5%⁽¹⁾

⁽¹⁾ At constant exchange rates ; +4.4% excluding the decrease in call termination rates

REGULATORY HIGHLIGHTS

In Morocco

Multi-year framework for Mobile and Fixed termination rates, involving a reduction in rates with maintenance of asymmetry;

—

Maintaining the asymmetric framing of retail offers in favour of competitors, particularly through the 20% economic space for Mobile offers;

—

Conversion of Fidelio points into equipment is prohibited as of 31 May 2021.

In the subsidiaries

Launch of 4G by Moov Mauritel following the acquisition of the 10-year licence;

—

Decline in Mobile call termination rates in Mauritania, Burkina Faso, Mali, Gabon, Côte d'Ivoire, Benin, Togo and Niger;

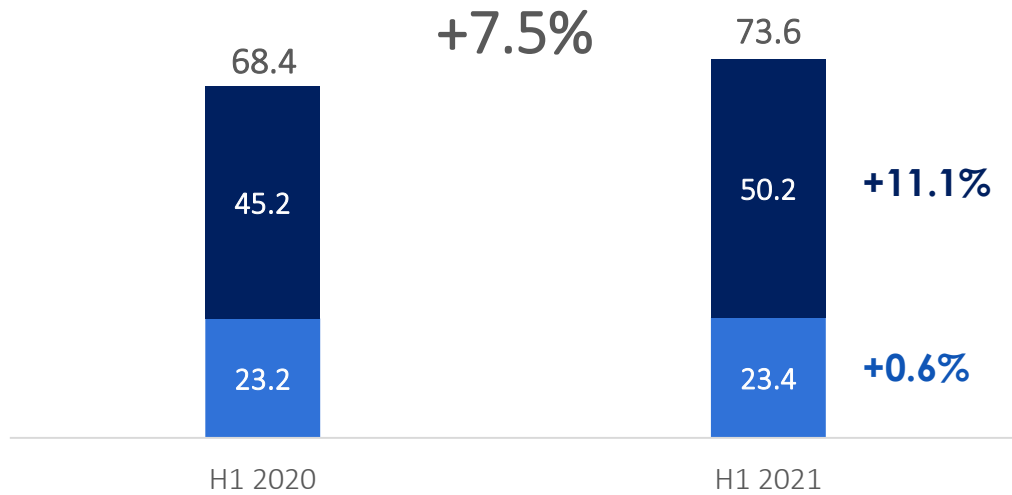
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Continued pressure from the authorities on identification and quality of service obligations;

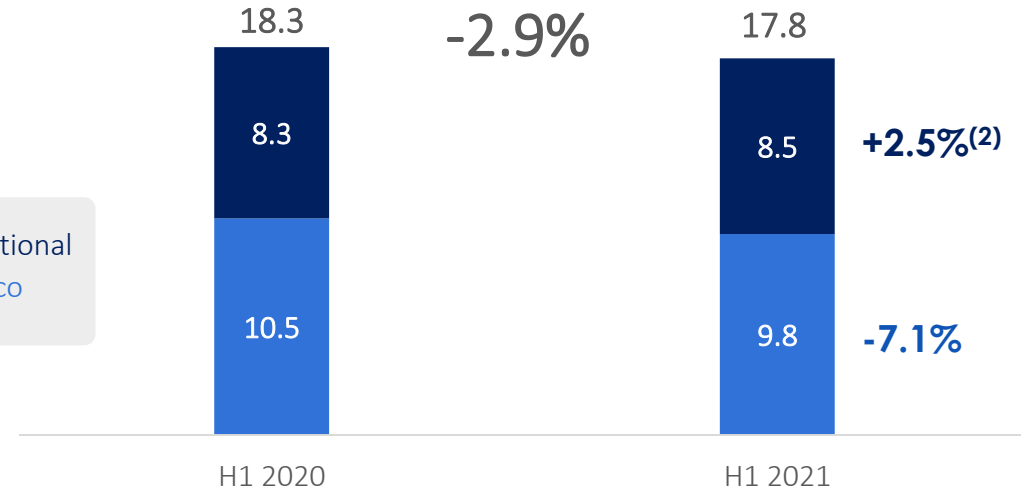
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Increasing weight of sector contributions, particularly in Burkina Faso, Gabon, Niger, Chad and Benin.

Growth of the customer base (million)



Decrease in consolidated revenues⁽¹⁾ (MAD bn)



▶ International
▶ Morocco

>
Growth in the Group's customer base of 7.5% to nearly **74** million customers thanks to sustained growth in the subsidiaries customer base **(+11.1%)**

>
The strong growth momentum of the activities of Moov Africa subsidiaries partially offset the fall in revenues in Morocco

(1) At constant exchange rates

(2) +4.4% excluding the decrease in call termination rates

◆ OUTLOOK FOR 2021 MAINTAINED

> Highlights
Business review
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Appendices

Outlook 2021 ⁽¹⁾ Publication February 2021	H1 Achievements 2021 ⁽¹⁾
DECREASE IN REVENUES	-2.9%
DECREASE IN EBITDA	-4.6%
CAPEX ⁽²⁾ OF A MAXIMUM OF 15% OF REVENUES	11.9%

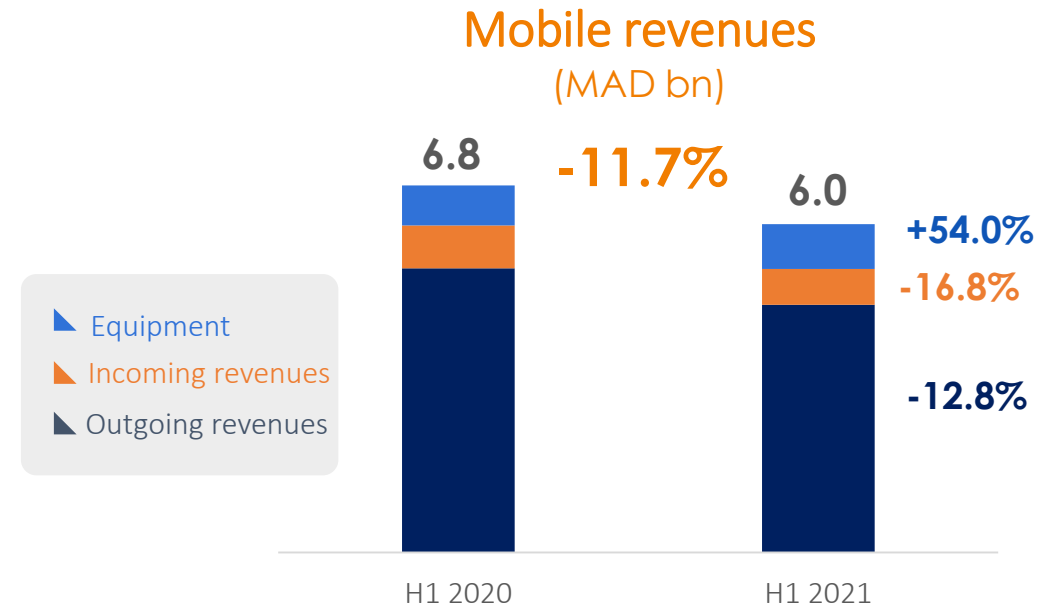
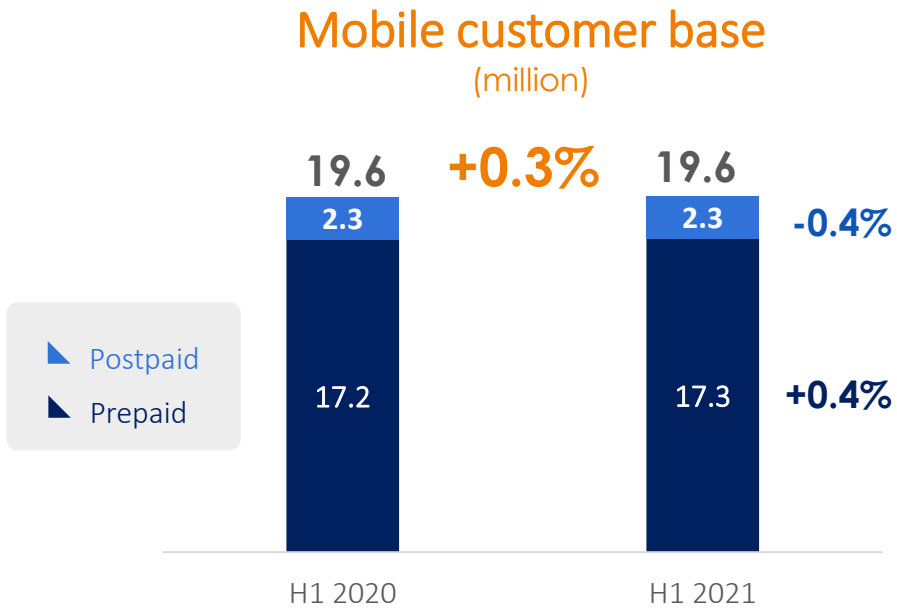
⁽¹⁾ At constant scope and exchange rates

⁽²⁾ Excluding frequencies & licences

BUSINESS
REVIEW

02.

MOROCCO / MOBILE



Resumption of growth in the Mobile customer base (+0.3%)

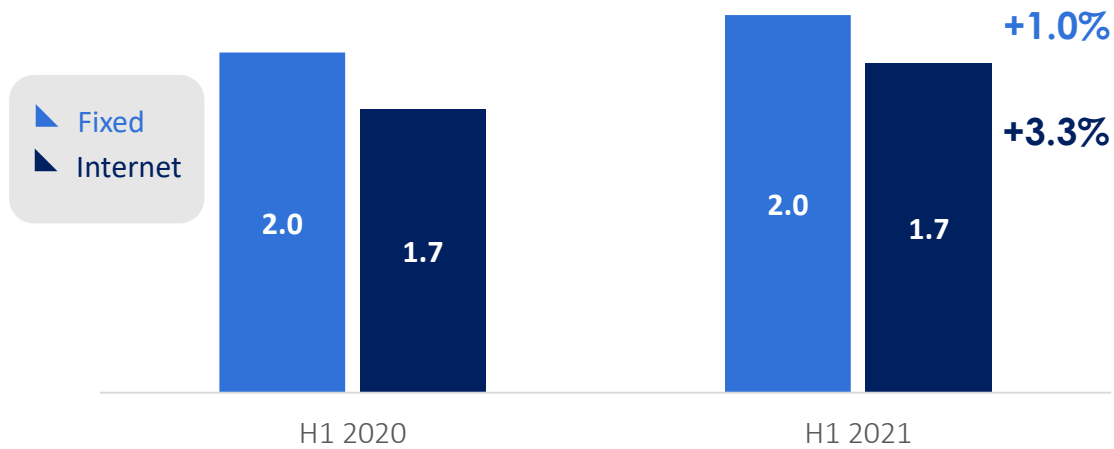
Decrease in Mobile revenues due to competition and the regulatory context
Decrease in ARPU (-11.4%) to MAD 48.8/month

Maroc Telecom maintains its position as leader in Internet Mobile with **38.05%** market share in Q1 2021⁽¹⁾

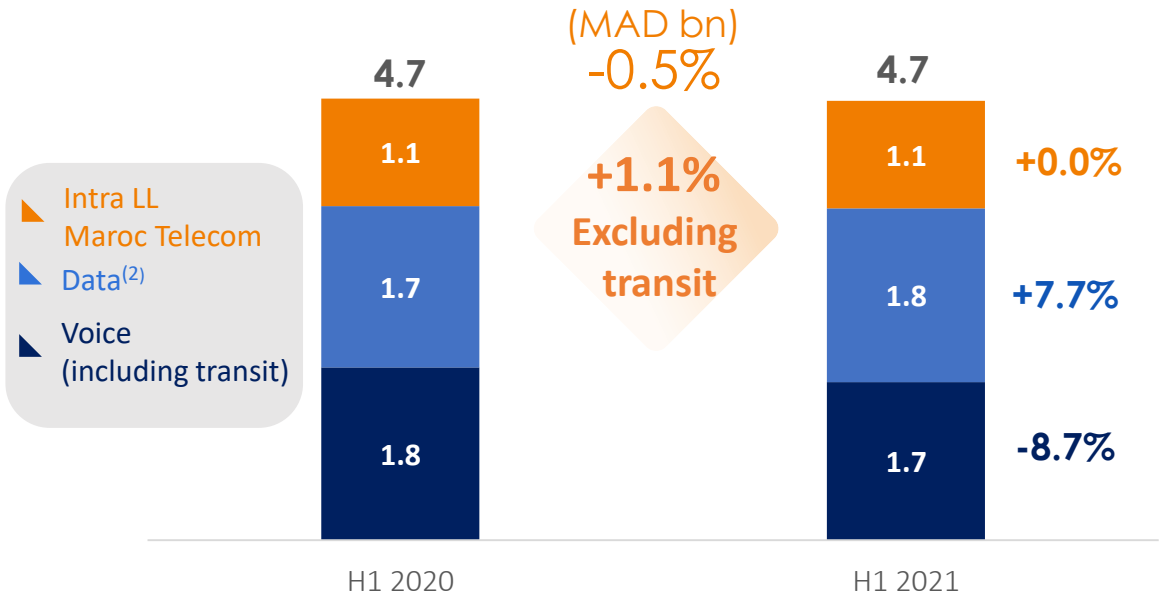
⁽¹⁾ Source: ANRT Q1 2021

MOROCCO / FIXED-LINE AND INTERNET

Fixed-Line and Internet customer base⁽¹⁾
 (million)



Fixed and Internet revenues



Continued growth in Fixed Data which largely offsets the decline in voice
Strong growth in FTTH customer base (+47%)

⁽¹⁾ Including low speed, leased and FTTH links

⁽²⁾ Fixed Data includes the Internet, TV on ADSL and Data services to companies



INTERNATIONAL

Mobile customer base

(million)

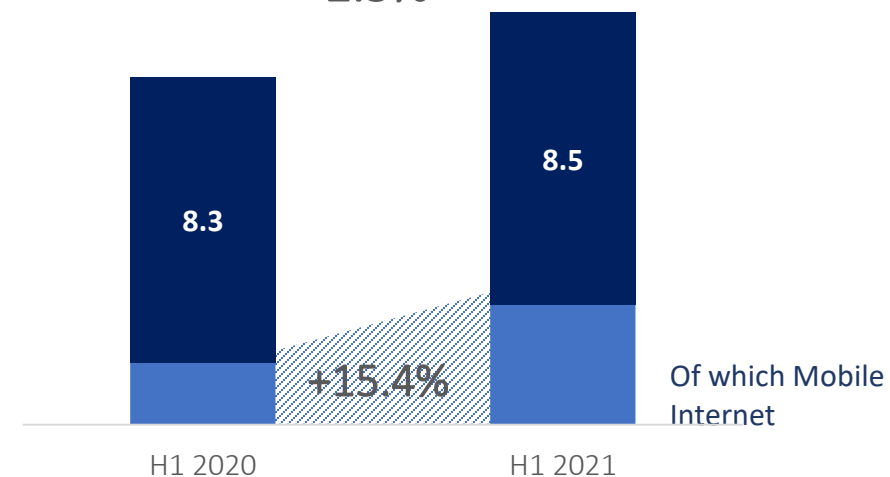
+11.2%



Revenues⁽¹⁾

(MAD bn)

+2.5%⁽²⁾



Sustained growth in the Mobile customer base (+11.2%)

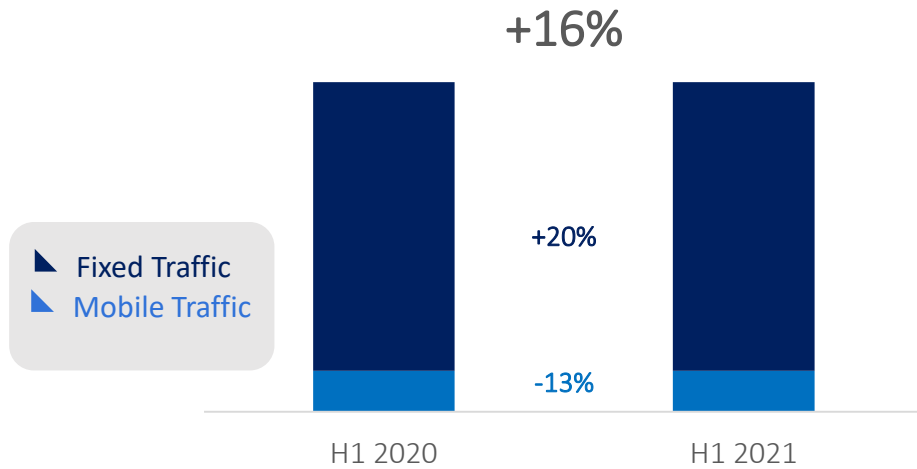
Fall in incoming international revenues offset by **15% growth in Mobile Data** and **28% growth in Mobile Money**

(1) At constant exchange rates

(2) +4.4% excluding the decrease in call termination rates

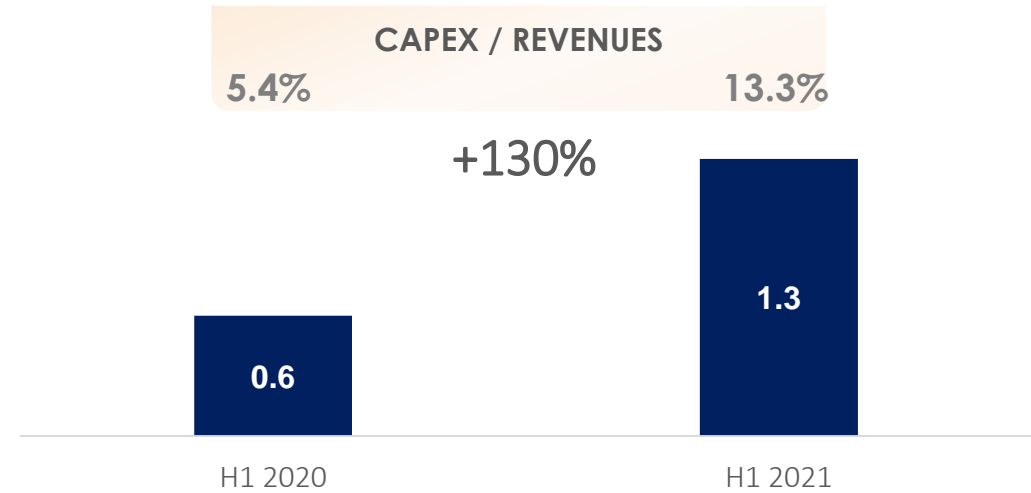
MOROCCO / INVESTMENTS

Change in Data traffic



Capex

(MAD bn)



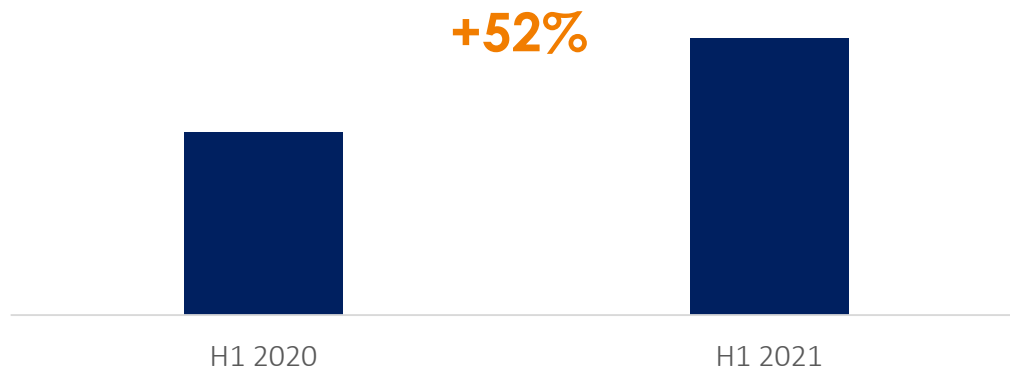
Data traffic growth of 16% reflecting the impacts of the health crisis on uses.

Fixed Data traffic, up 20% year-on-year, was boosted by growth in the Fixed customer base.

Investments have been directed towards the development of urban 4G indoor coverage and towards the deployment and densification of the FTTH network.

INTERNATIONAL / INVESTMENTS

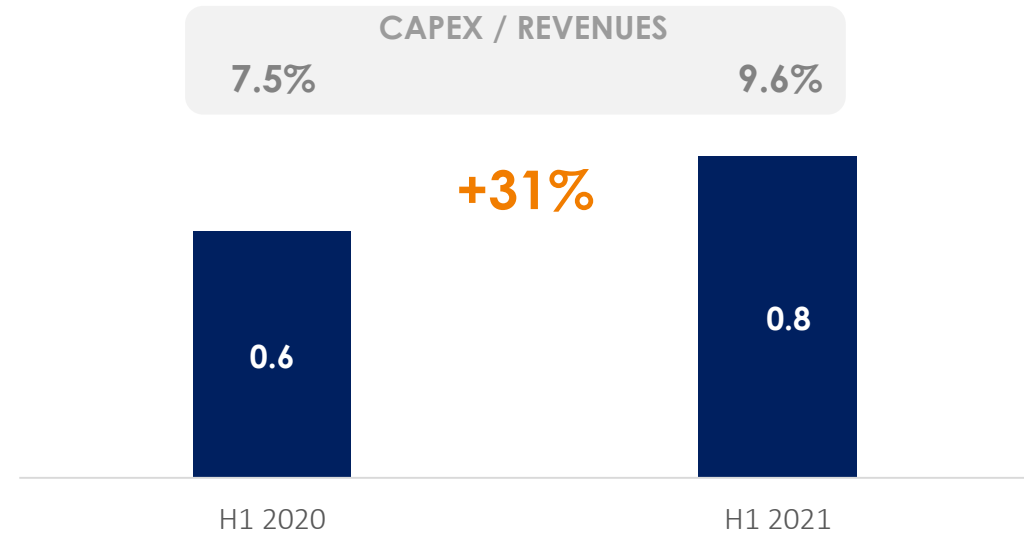
Change in Data Mobile traffic



Capex⁽¹⁾

(MAD bn)

CAPEX / REVENUES



The subsidiaries' Data Mobile traffic grew by 52% thanks to a major expansion program on the Mobile networks.

Investments also included upgrading infrastructure to support traffic and customer base growth, and expanding international bandwidth.

After Gabon, Burkina Faso and Mali, FTTH networks have been developed in Mauritania, Côte d'Ivoire and Chad.

⁽¹⁾ At constant exchange rates

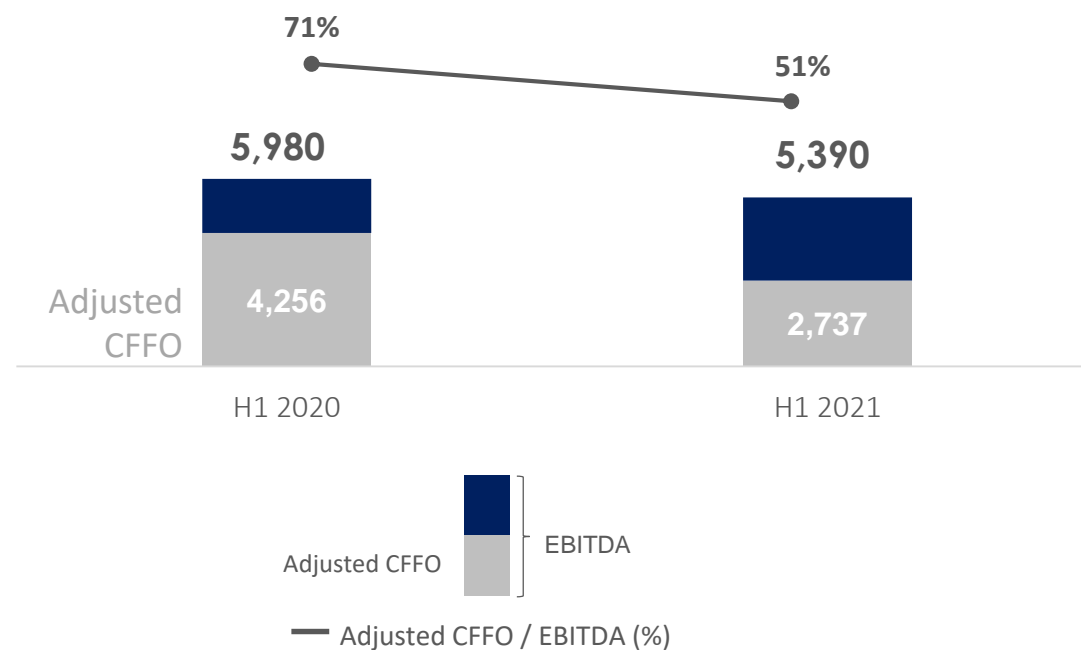


FINANCIAL
REVIEW

03.

MAD million	H1 2020	H1 2021	Change
Revenues	10,524	9,774	-7.1%
Adjusted EBITDA ⁽¹⁾	5,980	5,390	-9.9%
Margin (%)	56.8%	55.1%	-1.7 pt
Adjusted EBITA ⁽¹⁾	4,037	3,524	-12.7%
Margin (%)	38.4%	36.1%	-2.3 pt
CAPEX	564	1,299	130.4%
Of which licences and frequencies	0	0	
CAPEX / Revenues (excluding licences and frequencies)	5.4%	13.3%	7.9 pt
Adjusted CFO ⁽¹⁾	4,256	2,737	-35.7%
% Adjusted EBITDA ⁽¹⁾	71.2%	50.8%	-20.4 pt
Net debt	11,891	9,888	-16.8%
Net debt/EBITDA ⁽²⁾	0.9x	0.9x	

Relaunch of large investment plans impacting cash generation (MAD million)



⁽¹⁾ Refer to Appendix 2
⁽²⁾ Excluding impact of IFRS 16

INTERNATIONAL

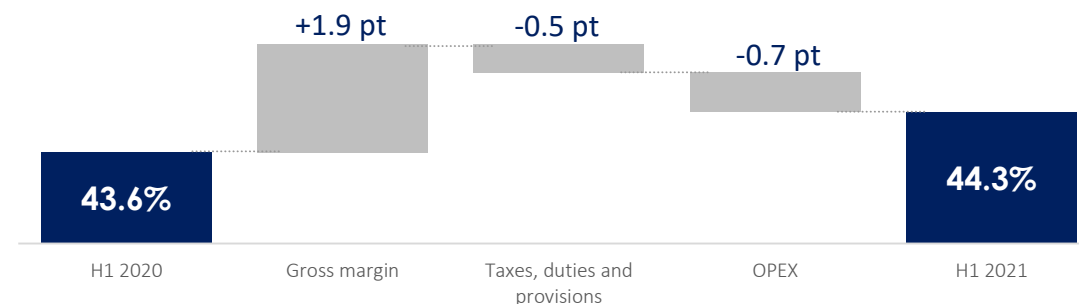
MAD million	H1 2020	H1 2021	Change	Change on a like-for-like basis ⁽¹⁾
Revenues	8,318	8,515	2.4%	2.5%
Adjusted EBITDA ⁽²⁾	3,623	3,771	4.1%	4.2%
Margin (%)	43.6%	44.3%	0.7 pt	0.7 pt
Adjusted EBITA ⁽²⁾	1,798	2,046	13.8%	14.1%
Margin (%)	21.6%	24.0%	2.4 pt	2.4 pt
CAPEX	622	816	31.2%	31.2%
Of which licences and frequencies	0	0		
CAPEX / Revenues (excluding frequencies and licences)	7.5%	9.6%	2.1 pt	2.1 pt
Adjusted CFO ⁽²⁾	2,843	2,741	-3.6%	-3.4%
% Adjusted EBITDA ⁽¹⁾	78.5%	72.7%	-5.8 pt	-5.7 pt
Net debt	8,206	5,986	-27.1%	-26.8%
Net debt/EBITDA ⁽³⁾	1.1x	0.7x		

⁽¹⁾ At constant exchange rates

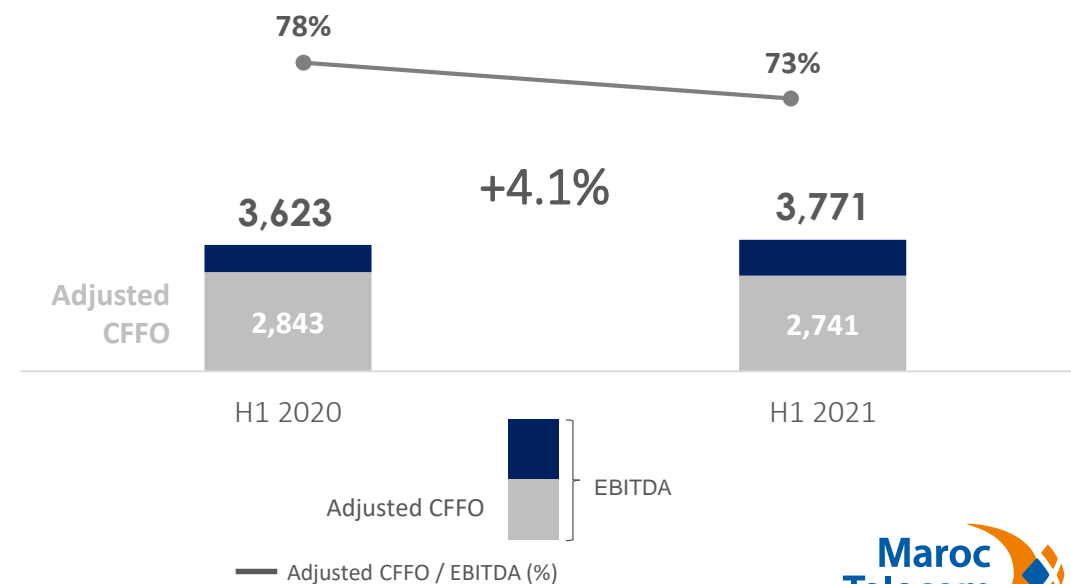
⁽²⁾ Refer to Appendix 2

⁽³⁾ Excluding impact of IFRS 16

Improvement in adjusted EBITDA margin (in %)



Solid cash generation (MAD million)



MAROC TELECOM GROUP

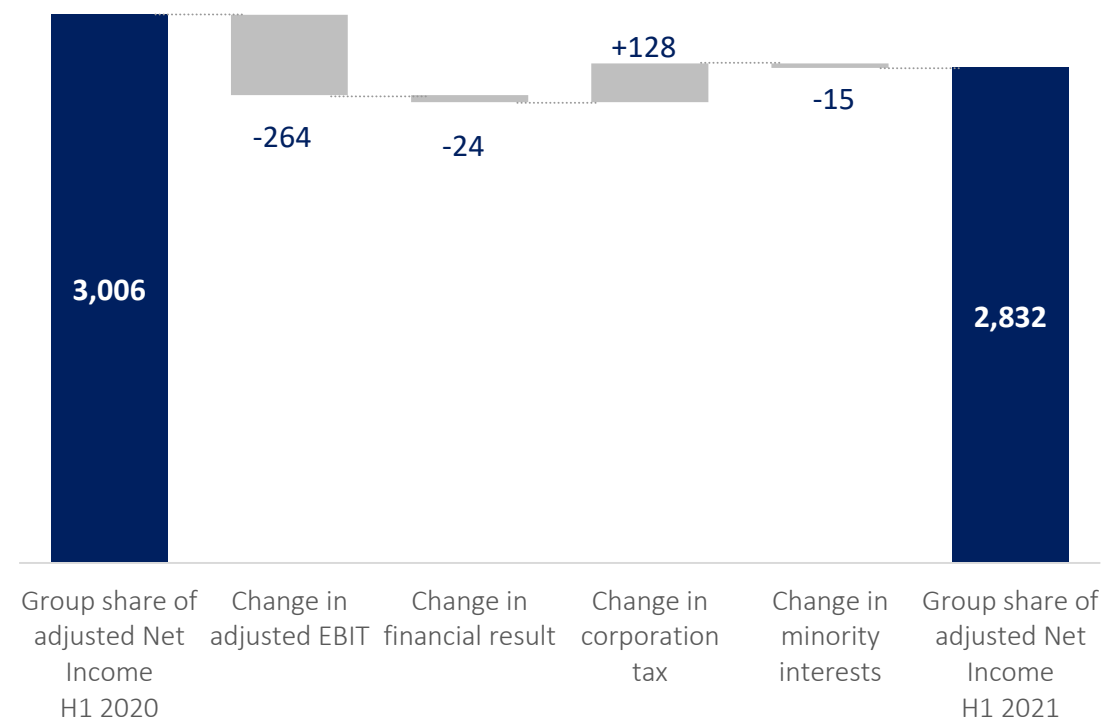
Consolidated results

MAD million	H1 2020	H1 2021	Change	Change on a like-for-like basis ⁽¹⁾
Revenues	18,323	17,780	-3.0%	-2.9%
Adjusted EBITDA ⁽²⁾	9,603	9,160	-4.6%	-4.6%
Margin (%)	52.4%	51.5%	-0.9 pt	-0.9 pt
Adjusted EBITA ⁽²⁾	5,836	5,571	-4.5%	-4.4%
Margin (%)	31.8%	31.3%	-0.5 pt	-0.5 pt
Financial result	-432	-456	-5.6%	
Corporation tax	-1,958	-1,830	-6.6%	
Minority interests	-437	-452	3.5%	
Group share of adjusted Net Income ⁽²⁾	3,006	2,832	-5.8%	-5.8%
Margin (%)	16.4%	15.9%	-0.5 pt	-0.5 pt

⁽¹⁾ At constant exchange rates

⁽²⁾ Refer to Appendix 2

Group share of adjusted Net Income (MAD million)



MAROC TELECOM GROUP

Consolidated cash flow

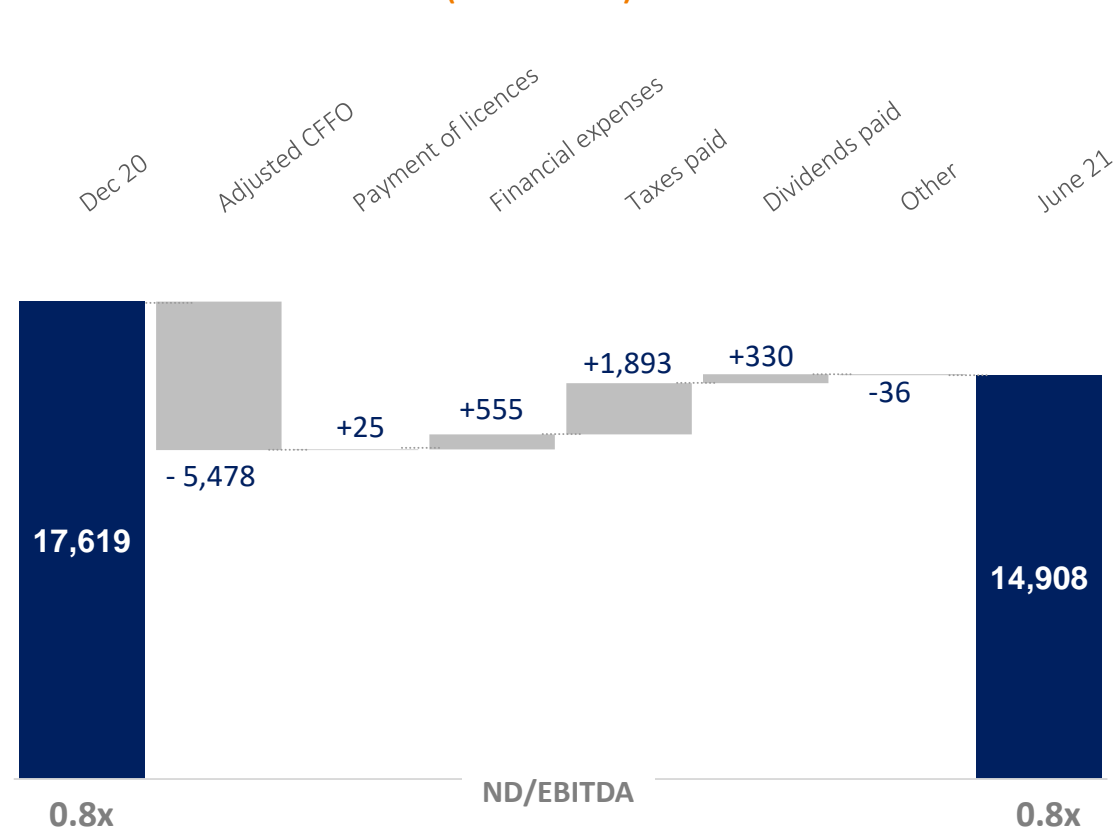
MAD million	H1 2020	H1 2021	Change	Change on a like-for-like basis ⁽¹⁾
Adjusted EBITDA ⁽²⁾	9,603	9,160	-4.6%	-4.6%
CAPEX	1,186	2,115	78.4%	78.3%
Including licences and frequencies	0	0		
CAPEX / Revenues (excluding frequencies and licences)	6.5%	11.9%	5.4 pt	5.4 pt
Adjusted CFO ⁽²⁾	7,099	5,478	-22.8%	-22.7%
% EBITDA	73.9%	59.8%	-14.1 pt	-14.1 pt
Financial expenses	-444	-555	25.0%	
Taxes paid	-2,213	-1,893	-14.4%	
Adjusted CFAIT ⁽²⁾	4,443	3,030	-31.8%	
% EBITDA	46.3%	33.1%	-13.2 pt	
Net debt	18,659	14,908	-20.1%	-20.0%
Net debt/EBITDA ⁽³⁾	0.9x	0.8x		

⁽¹⁾ At constant exchange rates

⁽²⁾ Refer to Appendix 2

⁽³⁾ Excluding impact of IFRS 16

Net debt (MAD million)

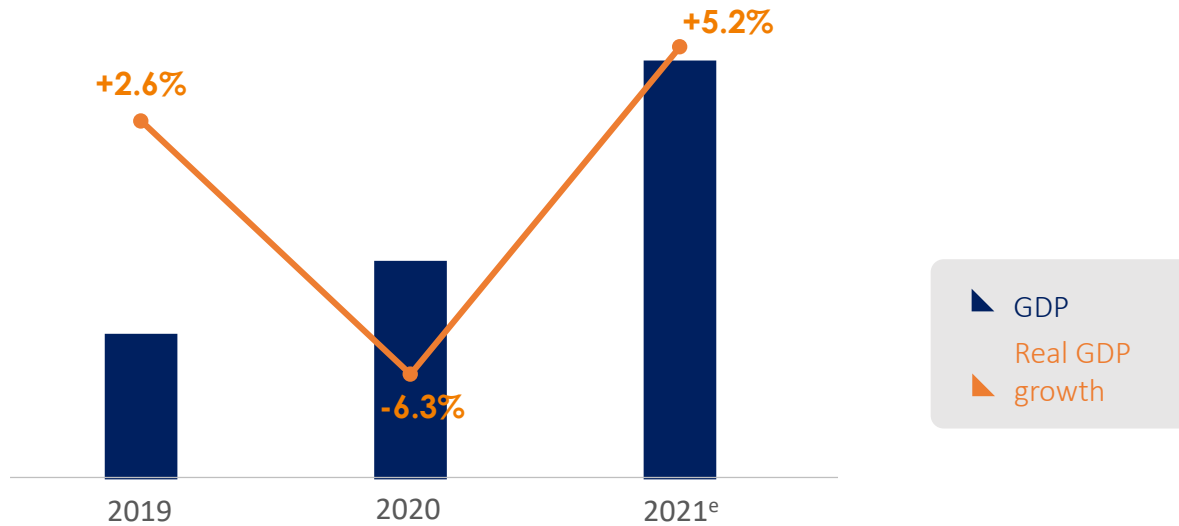


APPENDICES

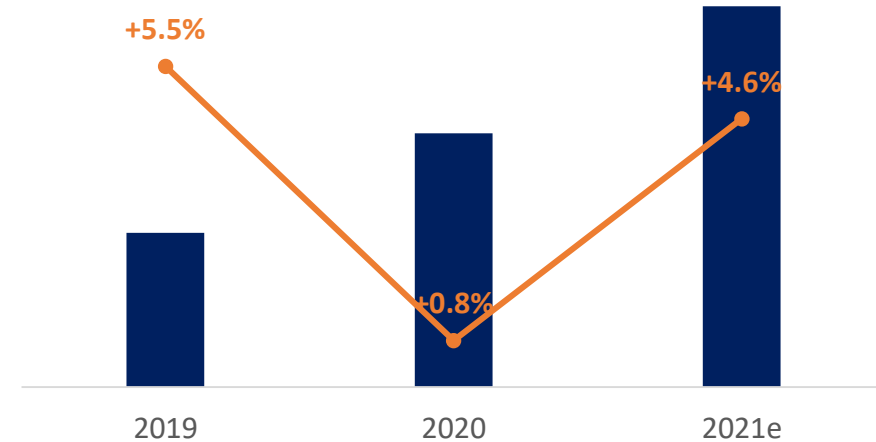
04.

Appendix 1 / Macroeconomic environment

IN MOROCCO (1)



INTERNATIONAL (2)



Domestic economic activity confirmed the signs of recovery observed as from Q3 20, gradually displaying levels close to those seen before COVID-19.

In 2021, the region's economy will resume expansion, amid continued lack of access to vaccines and limited room for manoeuvre to support the crisis response.

(1) Ministry of Economy and Finance

(2) IMF data – April 2021

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












Millions MAD	H1 2020			H1 2021		
	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	5,980	3,623	9,603	5,390	3,771	9,160
Published EBITDA	5,980	3,623	9,603	5,390	3,771	9,160
Adjusted EBITA	4,037	1,798	5,836	3,524	2,046	5,571
Restructuring costs					-13	-13
Published EBITA	4,037	1,798	5,836	3,524	2,033	5,557
Adjusted Net Income – Group share			3,006			2,832
Restructuring costs						-6
Contribution to the COVID-19 fund			-1,038			
Published Net Income – Group share			1,969			2,827
Adjusted CFO	4,256	2,843	7,099	2,737	2,741	5,478
License payments		-107	-107		-25	-25
Restructuring costs					-13	-13
ANRT fine	-3,300		-3,300			
Published CFO	956	2,736	3,692	2,737	2,703	5,440



Appendix 3 / Impact of IFRS 16

	H1 2021		
MAD million	Morocco	International	Group
Adjusted EBITDA	127	147	274
Adjusted EBITA	8	20	29
Adjusted net income – Group Share			-8
Adjusted CFO	127	147	274
Net debt	789	655	1,444

Appendix 4 / Presence of the Maroc Telecom group

	MOROCCO	MAURITANIA	BURKINA FASO	GABON	MALI	CÔTE D'IVOIRE	BENIN	TOGO	NIGER	CENTRAL AFRICAN REPUBLIC	CHAD
											
Year of acquisition		2001	2006	2007	2009	2015	2015	2015	2015	2015	2019
Percentage held		52%	61%	51%	51%	85%	100%	95%	100%	100%	100%
Population (million)	36.3	4.2	21.5	2.1	20.2	27.7	12.5	8.5	25.1	4.9	16.9
GDP (\$bn)	124.0	9.2	18.9	18.4	19.9	71.0	17.3	8.6	15.9	2.7	12.5
Mobile penetration	138%	98%	106%	145%	109%	149%	82%	82%	49%	28%	51%
Mobile market share (fleet)	39%	66%	42%	53%	40%	25%	45%	46%	26%	12%	55%
Competitive position	1/3	1/3	2/3	1/2	2/3	3/3	2/3	2/2	3/4	3/4	1/2
2G/3G technology	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
4G technology	◆	◆	◆	◆	◆	◆	◆	◆		◆	◆

Source: Dataxis – Q1 2021, IMF and ANRT – Q1 2021

◆ Important legal disclaimer

Forward-looking statements

Forward-looking statements. This press release contains forward-looking statements and items of a forward-looking nature relating to the financial position, results of operations, strategy and outlook of Maroc Telecom and the impacts of certain operations. Although Maroc Telecom believes that these forward-looking statements are based on reasonable assumptions, they do not constitute guarantees as to the future performance of the company. Actual results may be very different from forward-looking statements due to a number of known or unknown risks and uncertainties, most of which are beyond our control, including the risks described in public documents filed by Maroc Telecom with the Moroccan Capital Market Authority (www.ammc.ma) and the French Financial Markets Authority (www.amf-france.org), also available in French on our website (www.iam.ma). This press release contains forward-looking information that can only be assessed on the day it is distributed. Maroc Telecom makes no commitment to supplement, update or modify these forward-looking statements due to new information, a future event or any other reason, subject to applicable regulations, in particular Articles 2.19 *et seq.* of the circular of the Moroccan Capital Market Authority and 223--1 *et seq.* of the general regulation of the French Financial Markets Authority.