

# ANNUAL RESULTS 2021

PRESENTATION TO ANALYSTS



Thursday 17 February 2022

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# HIGHLIGHTS

INCREASE OF THE GROUP  
CUSTOMER BASE

**+1.8 %**

MAINTAINING HIGH  
ADJUSTED EBITDA MARGIN  
FOR THE GROUP

**51.9 %**

GROWTH OF THE GROUP  
SHARE OF NET INCOME

**+11.1%<sup>(1)</sup>**

SUSTAINED GROWTH  
OF FIXED DATA INCOME  
IN MOROCCO

**+7.6%**

CONTINUED GROWTH  
IN THE REVENUES OF MOOV  
AFRICA SUBSIDIARIES

**+1.5%<sup>(2)</sup>**

(1) Adjusted Group share of net income: +0.5% at constant exchange rates

(2) +3.4% excluding termination rates decrease and at constant exchange rates

## In Morocco

Review of the multi-year framework for Mobile termination rates, maintaining current rates and asymmetry levels;

—

Asymmetric regulation of retail offers maintained in favor of competitors, in particular through the application of the 20% economic space for Mobile offers;

—

Introduction, by Wana, to the Commercial Court of Rabat of an application for compensation based on the decision of the ANRT's Management Committee dated 17 January 2020 on unbundling;

—

Receipt of a report from the ANRT raising the partial non-compliance with certain injunctions of the January 17, 2020 decision on unbundling.

## In the subsidiaries

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

—

Continued pressure from regulators on customer identification requirements and network quality of service;

—

Maintaining the high level of sectoral fees and contributions;

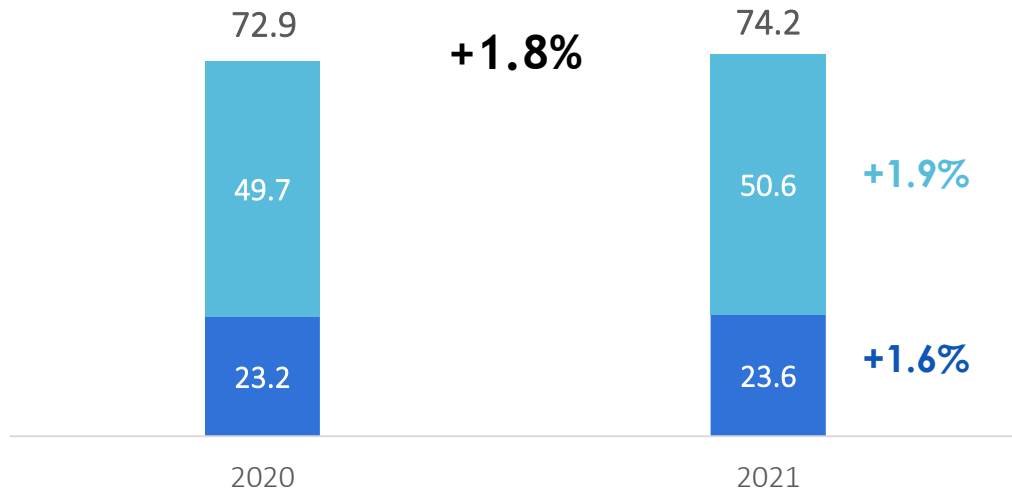
—

Signature of bilateral agreements between regulators for the implementation of Free Roaming within the Central African Economic and Monetary Community (CEMAC);

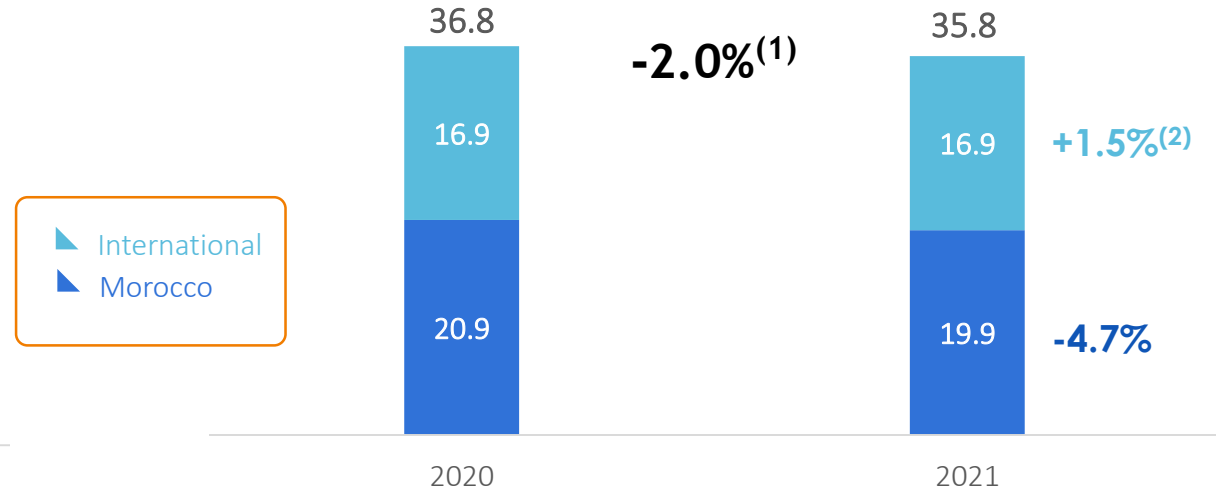
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The Bamako Court of Appeal has set the amount of damages claimed by REMACOTEM (association of consumers of Mobile networks in Mali) for Orange Mali and Sotelma.

### Growth of the customer base (millions)



### Drop in consolidated revenues (MAD bn)



An increase of almost 2% in the Group's customer base to more than 74 million customers driven by growth in the customer base in Morocco and in the subsidiaries.

The continued growth in the business activities of the Moov Africa subsidiaries partially offset the fall in revenues in Morocco.

(1) At constant exchange rates

(2) +3.4% excluding termination rates decrease and at constant exchange rates

# 2021 RESULTS IN LINE WITH THE OBJECTIVES ANNOUNCED

## Highlights

Business review

Financial review

Outlook

Appendices

### 2021 Outlook<sup>(1)</sup>

DECREASE IN REVENUES

DECREASE IN EBITDA

CAPEX<sup>(3)</sup> OF MAXIMUM  
15% OF REVENUES

### 2021 achievements<sup>(1)</sup>

-2.0%

-2.2 %<sup>(2)</sup>

15.3%

(1) At constant scope and exchange rates

(2) Adjusted EBITDA – refer to appendix 2

(3) Excluding frequencies & licences

# Proposal to distribute MAD 4.78/share

**REPRESENTING  
A RETURN OF 3.5%\***

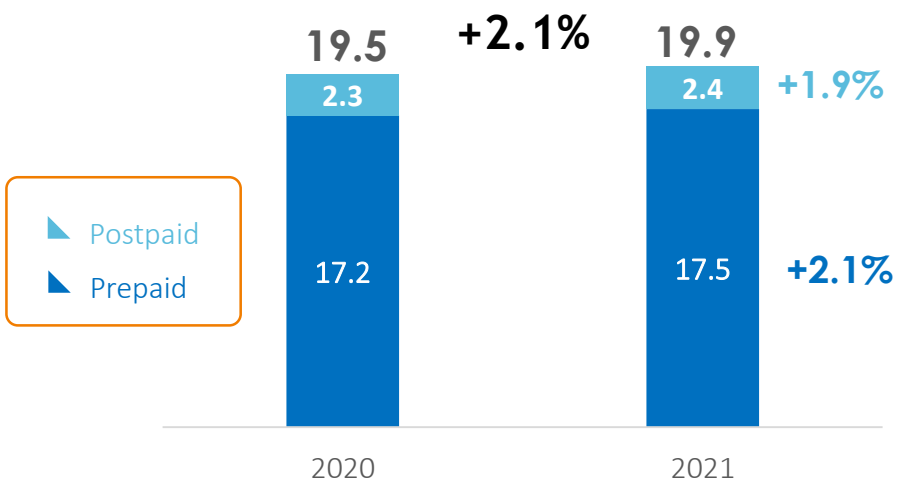
(\*) Based on the price on February 16, 2022 (136.75 MAD)

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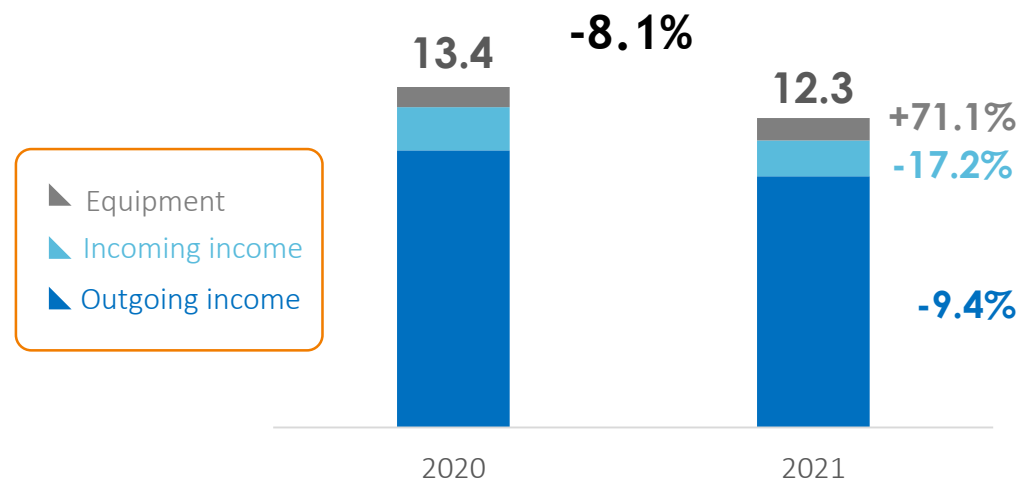
# BUSINESS REVIEW



## Mobile customer base (millions)



## Mobile revenues (MAD bn)

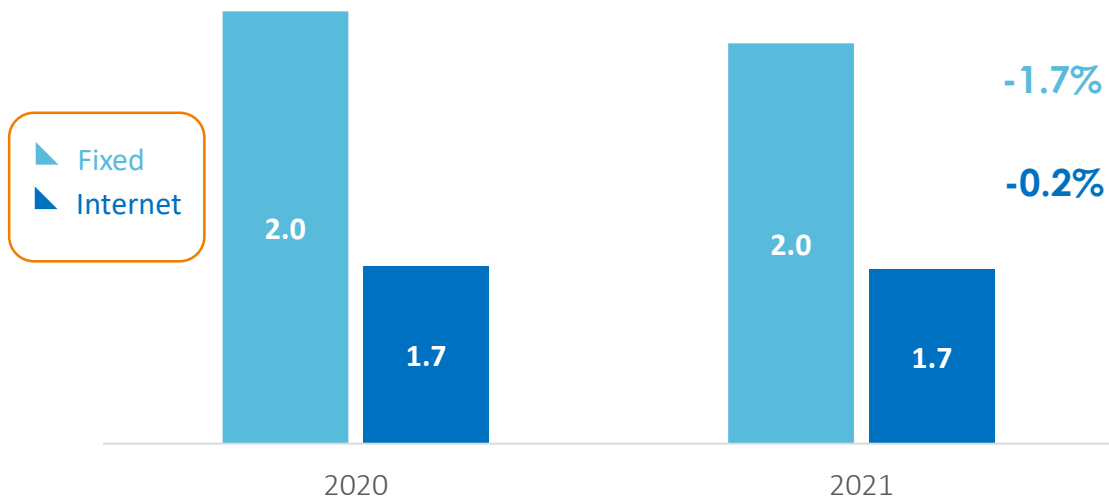


Growth in Mobile customer base (+2.1%) in Prepaid and Postpaid segments

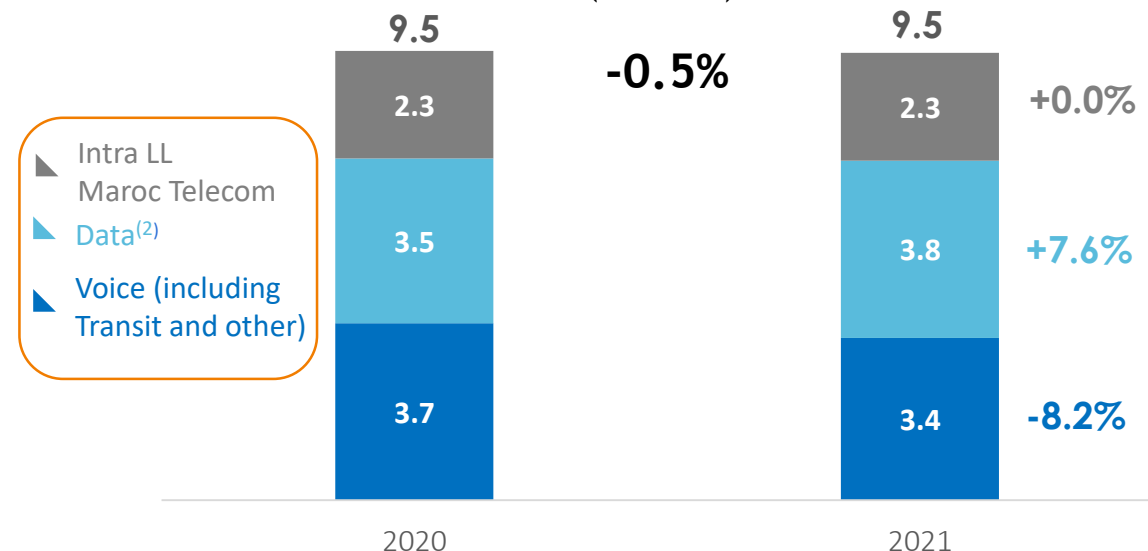
Slowing of the decline in Mobile revenues despite a still difficult competitive and regulatory environment

Fall in ARPU (-10.2%) to MAD 48.7/month

## Fixed & Internet customer base <sup>(1)</sup> (millions)



## Fixed-line and Internet revenues (MAD bn)



Continued growth in Fixed Data which largely offset the fall in voice.

Strong growth in the FTTH customer base (+47%), compensating for the decline in ADSL customer base

(1) Including low speed, leased and FTTH links

(2) Fixed Data includes the Internet, TV on ADSL and Data services to companies. A calculation method has been changed for an element of the Fixed Data affecting the background

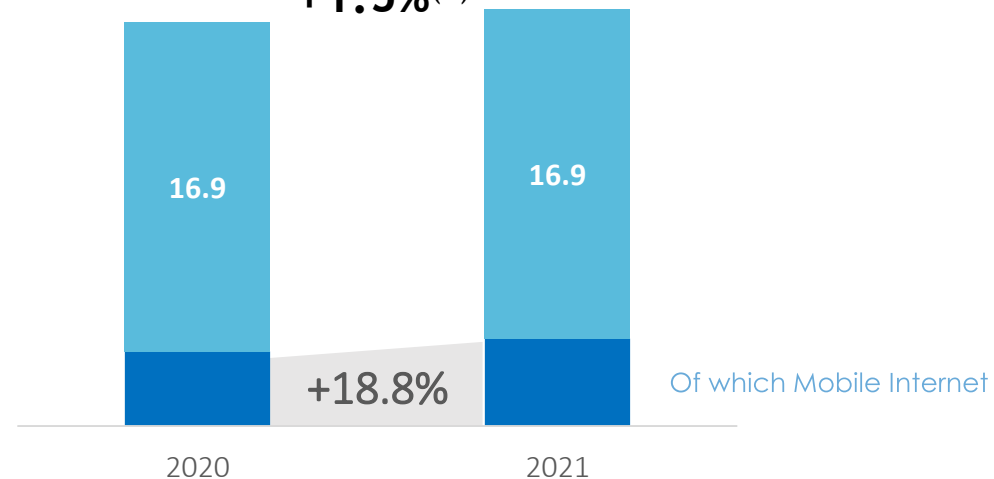
## Mobile customer base (millions)

**+1.8%**



## Revenues (MAD bn)

**+1.5%<sup>(1)</sup>**



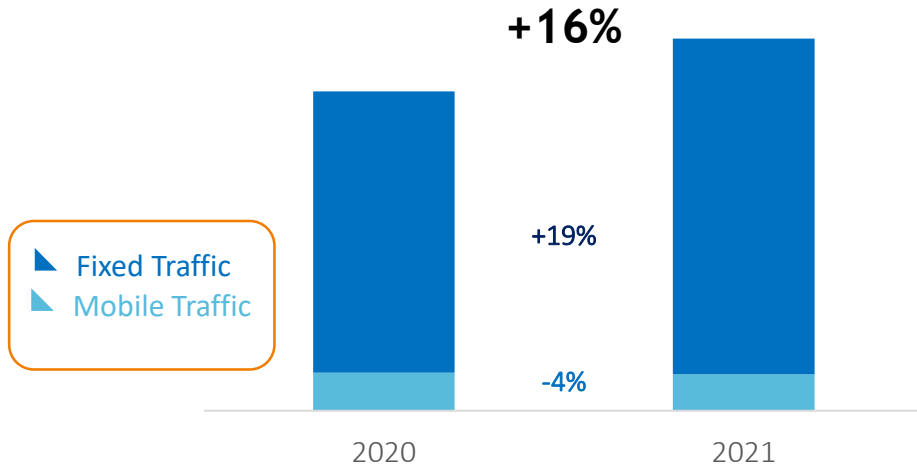
Continued growth in the Mobile customer base (+1.8%)

Moov Africa subsidiaries' revenues growth of 3.4%<sup>(1)</sup> excluding call termination decline

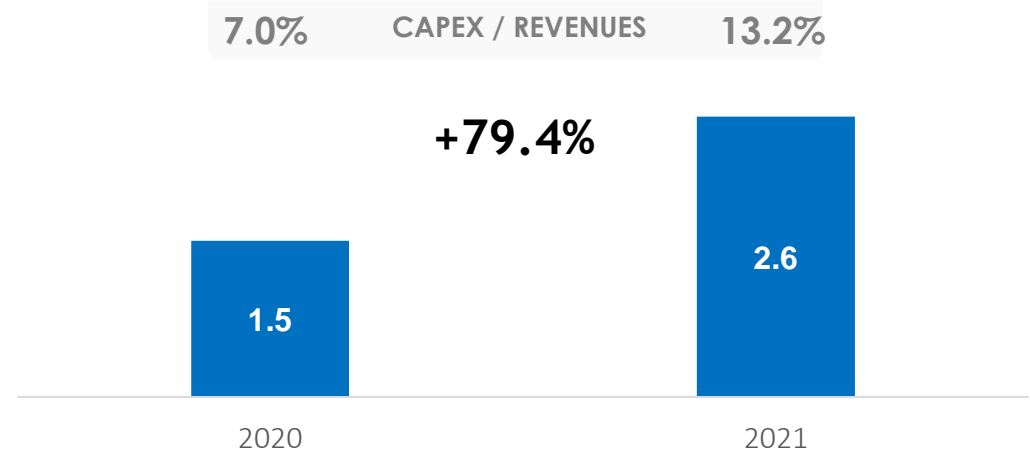
Growth by 19%<sup>(1)</sup> in Mobile Data and 13%<sup>(1)</sup> in Mobile Money which offsets the decline in international incoming revenues

(1) At constant exchange rates

## Change in Data traffic



## Capex (MAD bn)

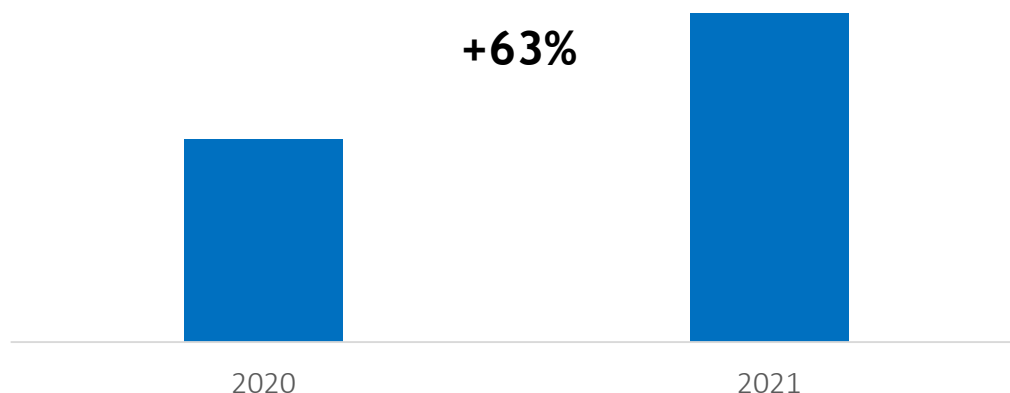


16% growth in Data traffic driven by increased Fixed broadband usage

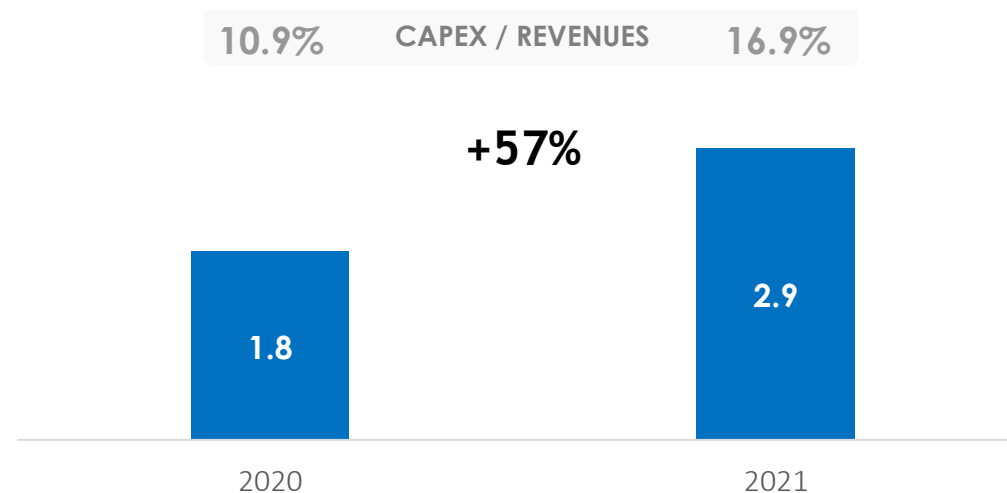
Fixed Data traffic, up 19% year-on-year, was boosted by a rise in the FTTH customer base

Investments were oriented towards capacity and 4G coverage expansion and densification of the FTTH network

## Change in Mobile Data traffic



## Capex<sup>(1)</sup> (MAD bn)



Mobile Data traffic in the subsidiaries increased by 63% thanks to a major Mobile network expansion program. Investments also included upgrading infrastructure to support growth in traffic and the customer base, as well as increasing international bandwidth.

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

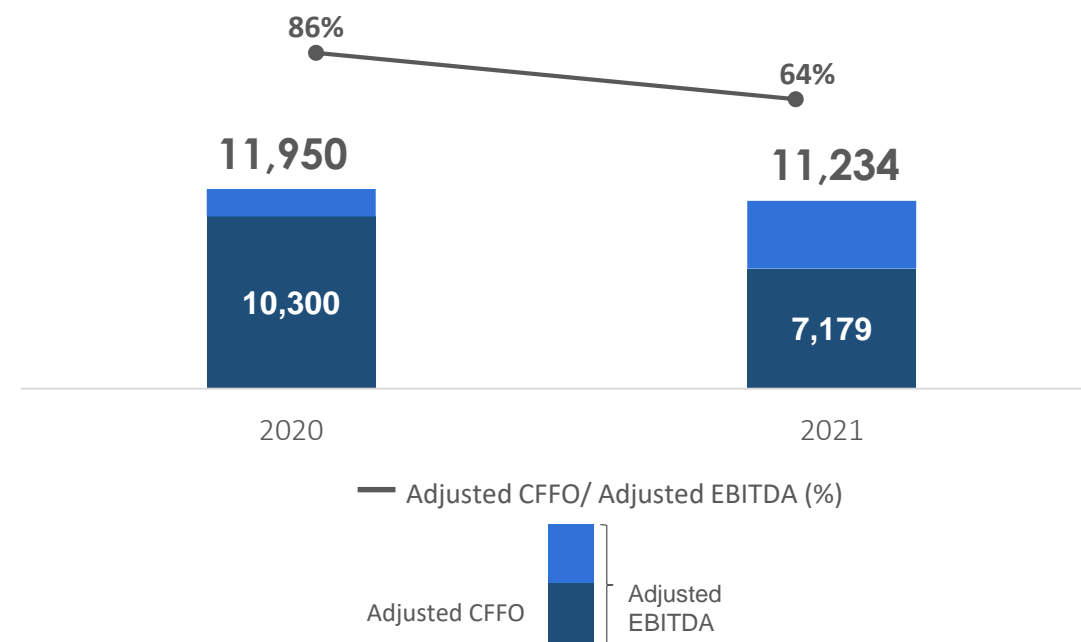
(1) At constant exchange rates and excluding frequencies & licences

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# FINANCIAL REVIEW

MAD millions	2020	2021	Change
Revenues	20,881	19,906	-4.7%
Adjusted EBITDA <sup>(1)</sup>	11,950	11,234	-6.0%
Margin (%)	57.2%	56.4%	-0.8 pt
Adjusted EBITA <sup>(1)</sup>	8,079	7,599	-5.9%
Margin (%)	38.7%	38.2%	-0.5 pt
CAPEX	1,466	2,630	79.4%
Of which licences and frequencies	0	0	
CAPEX / revenues (excluding frequencies and licences)	7.0%	13.2%	6.2 pt
Adjusted CFO <sup>(1)</sup>	10,300	7,179	-30.3%
% Adjusted EBITDA	86.2%	63.9%	-22.3 pt
Net debt	11,515	9,350	-18.8%
Net debt/EBITDA <sup>(2)</sup>	0.9x	0.8x	

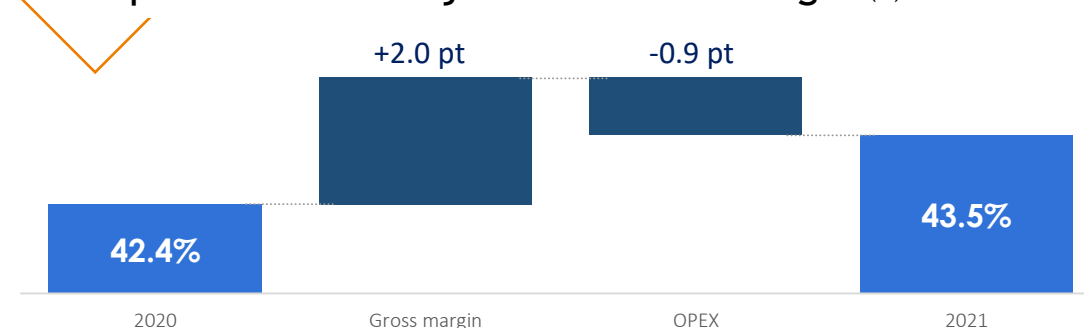
## Relaunch of major investment plans impacting cash generation (MAD millions)



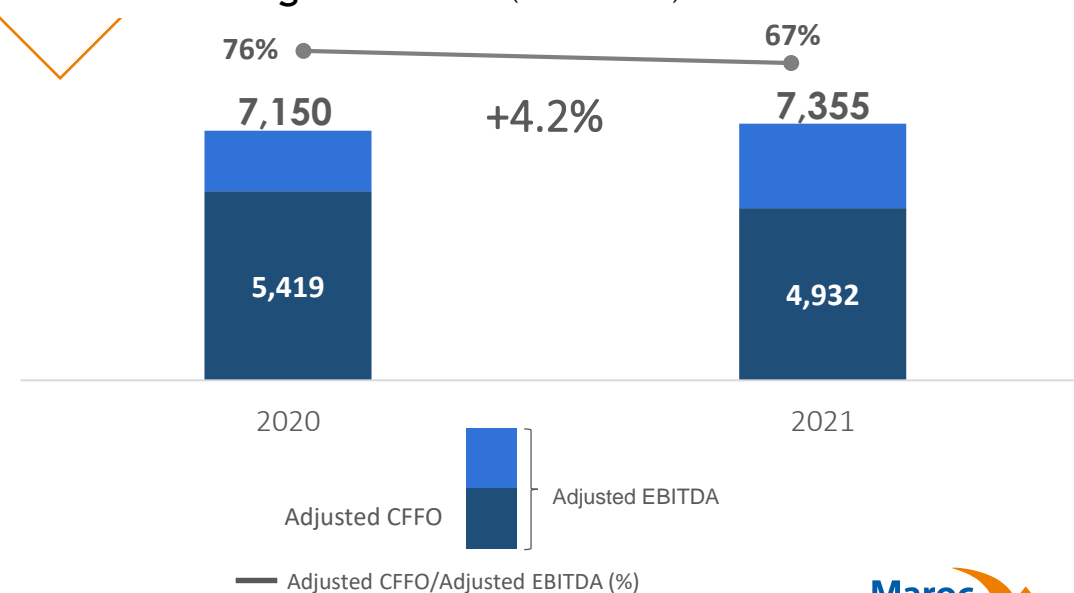
(1) Refer to Appendix 2  
(2) Excluding impact of IFRS 16

MAD millions	2020	2021	Change	Change at constant exchange rates
<b>Revenues</b>	<b>16,883</b>	<b>16,912</b>	<b>0.2%</b>	<b>1.5%</b>
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>7,150</b>	<b>7,355</b>	<b>2.9%</b>	<b>4.2%</b>
<i>Margin (%)</i>	42.4%	43.5%	1.1 pt	1.1 pt
<b>Adjusted EBITA <sup>(1)</sup></b>	<b>3,520</b>	<b>3,988</b>	<b>13.3%</b>	<b>14.8%</b>
<i>Margin (%)</i>	20.8%	23.6%	2.7 pt	2.7 pt
<b>CAPEX</b>	<b>1,982</b>	<b>2,984</b>	<b>50.6%</b>	<b>52.6%</b>
Of which licences and frequencies	135	123		
<i>CAPEX / revenues (excluding frequencies and licences)</i>	10.9%	16.9%	6.0 pt	6.0 pt
<b>Adjusted CFO <sup>(1)</sup></b>	<b>5,419</b>	<b>4,932</b>	<b>-9.0%</b>	<b>-7.8%</b>
<i>% Adjusted EBITDA</i>	75.8%	67.1%	-8.7 pt	-8.8 pt
<b>Net debt</b>	<b>7,517</b>	<b>5,983</b>	<b>-20.4%</b>	<b>-18.7%</b>
<i>Net debt/EBITDA <sup>(2)</sup></i>	1.0x	0.7x		

## Improvement in adjusted EBITDA margin (%)



## Solid cash generation (millions MAD)

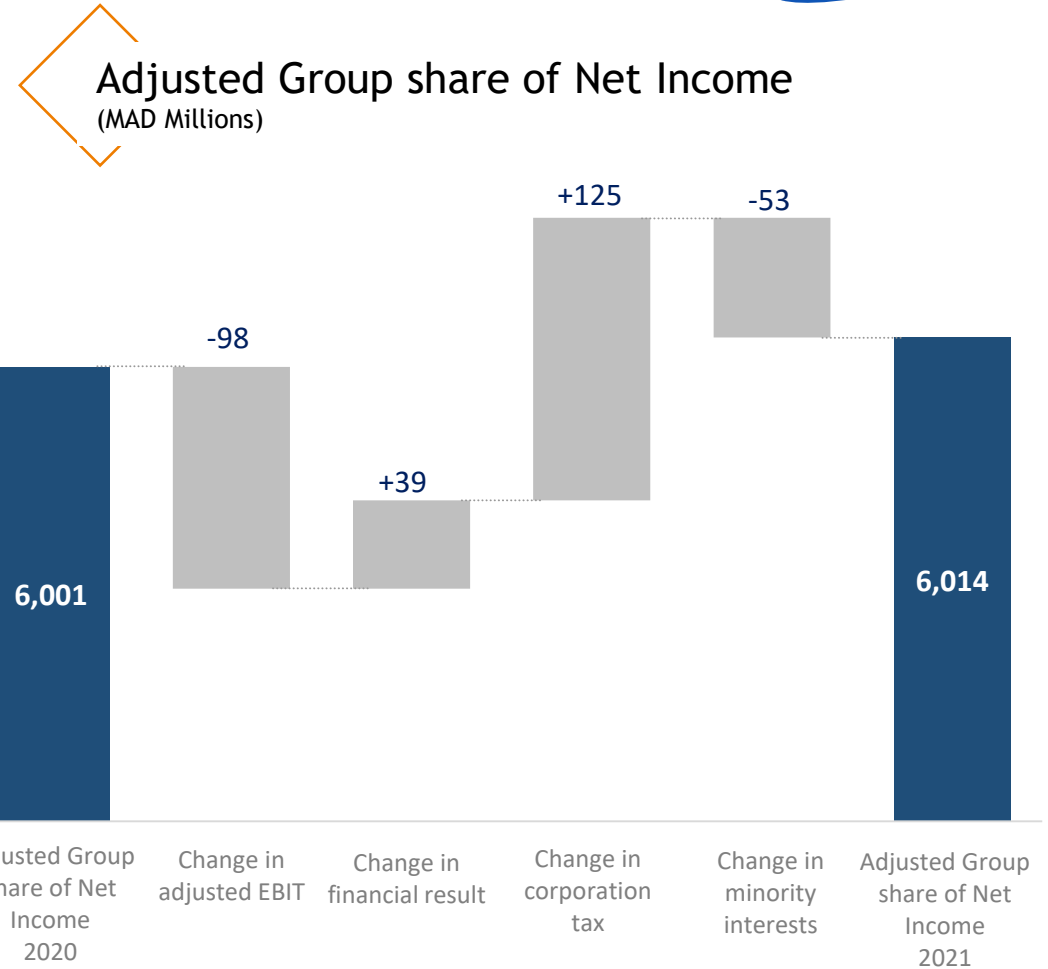


(1) Refer to Appendix 2  
(2) Excluding impact of IFRS 16



# MAROC TELECOM GROUP: CONSOLIDATED RESULTS

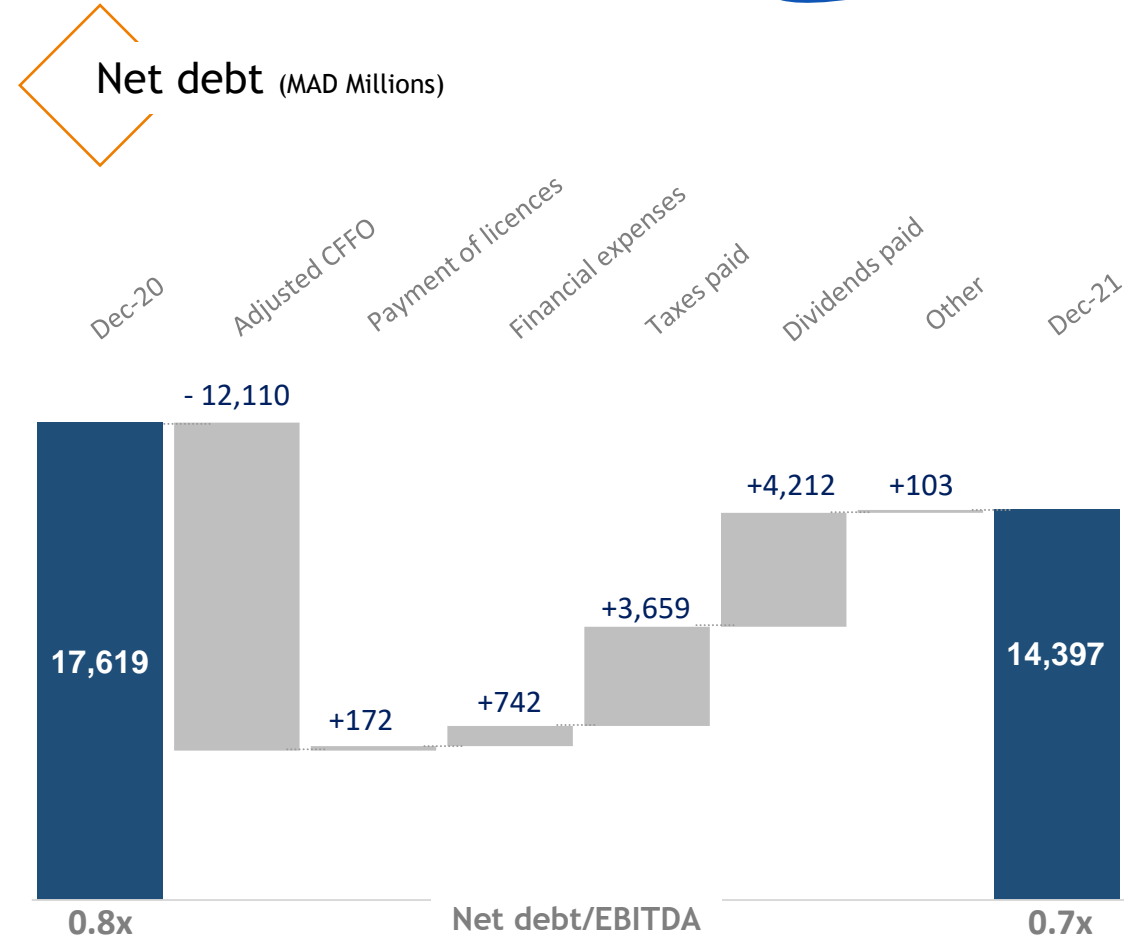
MAD millions	2020	2021	Change	Change at constant exchange rates
<b>Revenues</b>	<b>36,769</b>	<b>35,790</b>	<b>-2.7%</b>	<b>-2.0%</b>
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>19,100</b>	<b>18,589</b>	<b>-2.7%</b>	<b>-2.2%</b>
<i>Margin (%)</i>	51.9%	51.9%	-0.0 pt	-0.1 pt
<b>Adjusted EBITA <sup>(1)</sup></b>	<b>11,598</b>	<b>11,586</b>	<b>-0.1%</b>	<b>0.4%</b>
<i>Margin (%)</i>	31.5%	32.4%	0.8 pt	0.8 pt
Financial profit (loss)	-916	-876	-4.3%	
Corporate income tax	-3,809	-3,684	-3.3%	
Minority interests	-871	-924	6.1%	
<b>Adjusted Group share of Net Income <sup>(1)</sup></b>	<b>6,001</b>	<b>6,014</b>	<b>0.2%</b>	<b>0.5%</b>
<i>Margin (%)</i>	16.3%	16.8%	0.5 pt	0.4 pt



(1) Refer to Appendix 2

# MAROC TELECOM GROUP: CONSOLIDATED CASH FLOWS

MAD millions	2020	2021	Change	Change at constant exchange rates
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>19,100</b>	<b>18,589</b>	<b>-2.7%</b>	<b>-2.2%</b>
<b>CAPEX</b>	<b>3,448</b>	<b>5,615</b>	<b>62.8%</b>	<b>64.0%</b>
Of which licences and frequencies	135	123		
CAPEX / revenues (excluding frequencies and licences)	9.0%	15.3%	6.3 pt	
<b>Adjusted CFO <sup>(1)</sup></b>	<b>15,719</b>	<b>12,110</b>	<b>-23.0%</b>	<b>-22.5%</b>
% Adjusted EBITDA	82.3%	65.1%	-17.2 pt	-17.2 pt
Financial expenses	-662	-742	12.1%	
Taxes paid	-3,789	-3,659	-3.4%	
<b>Adjusted CFAIT <sup>(1)</sup></b>	<b>11,269</b>	<b>7,709</b>	<b>-31.6%</b>	
% Adjusted EBITDA	59.0%	41.5%	-17.5 pt	
<b>Net debt</b>	<b>17,619</b>	<b>14,397</b>	<b>-18.3%</b>	<b>-17.6%</b>
Net debt/EBITDA <sup>(2)</sup>	0.8x	0.7x		



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

# 4 OUTLOOK

## In Morocco

Competitive and regulatory pressures;  
—  
Continued investment to support increased traffic;  
—  
Extended coverage of FTTH networks;  
—  
Continuation of extensive digitisation programs.

## In the subsidiaries

Rise in Data and Mobile Money usage;  
—  
Decrease in national call termination rates with a positive impact on margins;  
—  
Regulatory and tax pressures;  
—  
Continued investment for broader coverage and better quality of service;  
—  
Renewal of licences.

## GROUP OUTLOOK FOR 2022 AT CONSTANT SCOPE AND EXCHANGE RATES

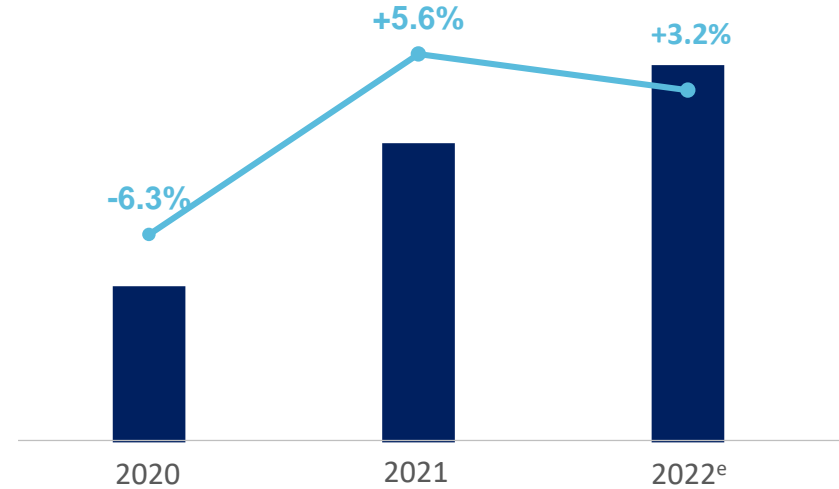
**DECREASE IN  
REVENUES**

**DECREASE  
IN EBITDA**

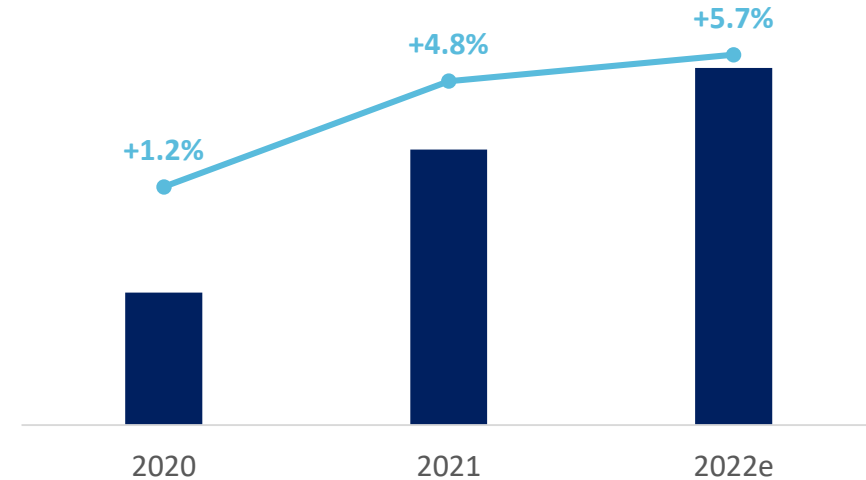
**CAPEX of approximately 20% of  
revenues**  
(excluding frequencies and licences)

# 5 APPENDICES

## IN MOROCCO (1)



## INTERNATIONAL (2)



Economic activity is showing a gradual but significant recovery, thanks to advances in vaccination, the stimulus measures put in place and the very positive results of the agricultural campaign.

In 2022, recovery will be mainly reliant on a marked improvement in global trade and commodity prices.

(1) Ministry of Economy and Finance  
 (2) IMF Data – October 2021

# APPENDIX 2 /TRANSITION FROM ADJUSTED FINANCIAL INDICATORS TO PUBLISHED FINANCIAL INDICATORS












MAD millions	2020			2021		
	Morocco	International	Group	Morocco	International	Group
<b>Adjusted EBITDA</b>	<b>11,950</b>	<b>7,150</b>	<b>19,100</b>	<b>11,234</b>	<b>7,355</b>	<b>18,589</b>
Dispute resolution	420		420			
<b>Published EBITDA</b>	<b>12,370</b>	<b>7,150</b>	<b>19,520</b>	<b>11,234</b>	<b>7,355</b>	<b>18,589</b>
<b>Adjusted EBITA</b>	<b>8,079</b>	<b>3,520</b>	<b>11,598</b>	<b>7,599</b>	<b>3,988</b>	<b>11,586</b>
Restructuring costs					-14	-14
Dispute resolution	420		420			
<b>Published EBITA</b>	<b>8,499</b>	<b>3,520</b>	<b>12,018</b>	<b>7,599</b>	<b>3,974</b>	<b>11,573</b>
<b>Adjusted Group share of Net Income</b>			<b>6,001</b>			<b>6,014</b>
Restructuring costs						-6
Dispute resolution			469			
Contribution to the COVID-19 fund			-1,047			
<b>Published Group share of Net Income</b>			<b>5,423</b>			<b>6,008</b>
<b>Adjusted CFFO</b>	<b>10,300</b>	<b>5,419</b>	<b>15,719</b>	<b>7,179</b>	<b>4,932</b>	<b>12,110</b>
Payment of licences		-143	-143		-172	-172
ANRT fine	-3,300		-3,300			
<b>Published CFFO</b>	<b>7,000</b>	<b>5,277</b>	<b>12,276</b>	<b>7,179</b>	<b>4,759</b>	<b>11,938</b>

# APPENDIX 3 /IMPACT OF IFRS 16

(in MAD millions)	2020			2021		
	Maroc	International	Groupe	Maroc	International	Groupe
<b>Adjusted EBITDA</b>	266	292	<b>557</b>	253	294	<b>547</b>
<b>Adjusted EBITA</b>	33	29	<b>62</b>	11	39	<b>50</b>
<b>Group share of adjusted Net Income</b>			<b>-17</b>			<b>-21</b>
<b>Adjusted CFO</b>	266	292	<b>557</b>	253	294	<b>547</b>
<b>Net Debt</b>	838	801	<b>1 639</b>	766	694	<b>1 460</b>



# 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 (millions)	36.3	4.2	21.5	2.1	20.2	27.7	12.5	8.5	25.1	4.9	16.9
GDP (\$bn)	126.0	9.2	19.9	18.3	19.6	68.8	18.1	8.5	15.6	2.6	12.3
Mobile penetration	143%	99%	113%	133%	105%	143%	92%	72%	58%	33%	55%
Mobile market share (fleet)	38%	58%	42%	53%	37%	26%	44%	47%	22%	13%	53%
Competitive position	1/3	1/3	2/3	1/2	2/3	3/3	2/2	2/2	3/4	3/4	1/2
2G/3G technology	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇	◇
4G technology	◇	◇	◇	◇	◇	◇	◇	◇			◇

Source: Dataxis – Q3 2021, IMF and ANRT – Q3 2021

## 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](http://www.ammc.ma)) and the French Financial Markets Authority ([www.amf-france.org](http://www.amf-france.org)), also available in French on our website ([www.iam.ma](http://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.