

Q1 2023 CONSOLIDATED RESULTS

An encouraging start to the year with growing results:

- » **Consolidated revenue growth of 3.7%**, with **+0.6%** in Morocco and **+7.3%** for the subsidiaries;
- » **Increase in Mobile Data revenues from Moov Africa subsidiaries (+27%)** and **Fixed Data revenues in Morocco (+7.2%** thanks to the expansion of the FTTH customer base to **+45%**);
- » **Decline in ADSL revenues (-12,5%)** and **Mobile Data revenues (-4.6%)** in Morocco;
- » **Growth in Group EBITDA of 2.6%**;
- » **Adjusted net income Group share up 1.8%**.

Despite the unfavorable international context, the Maroc Telecom Group recorded solid operating results and returned to revenue growth in the first quarter of 2023.

This positive trend is due to its investment policy and its efforts to achieve differentiation through the quality of its networks and services.

The activity of the Sub-Saharan subsidiaries continues to play a major role in the Group's performance. Their contribution, combined with the implementation of efficient cost optimization plans, provide Maroc Telecom with the resources necessary for sustainable growth.

The Group relies on a proactive approach that enables it to adapt quickly to constant changes in its market and to seize all opportunities.

GROUP ADJUSTED* CONSOLIDATED RESULTS

<i>(IFRS in MAD millions)</i>	Q1 2022	Q1 2023	Change	Change at constant exchange rates ⁽¹⁾
Revenues	8,770	9,093	3.7%	1.0%
Adjusted EBITDA	4,519	4,637	2.6%	0.3%
<i>Margin (%)</i>	51.5%	51.0%	-0.5 pt	-0.3 pt
Adjusted EBITA	2,815	2,890	2.7%	0.5%
<i>Margin (%)</i>	32.1%	31.8%	-0.3 pt	-0.1 pt
Adjusted net income Group share	1,500	1,527	1.8%	0.9%
<i>Margin (%)</i>	17.1%	16.8%	-0.3 pt	-0.0 pt
CAPEX⁽²⁾	1,137	855	-24.8%	-26.9%
<i>Of which frequencies and licenses</i>	0	0		
<i>CAPEX/Revenues (excluding frequencies and licenses)</i>	13.0%	9.4%	-3.6 pt	-3.6 pt
Adjusted CFO	3,151	3,400	7.9%	5.8%
Net debt	12,288	15,419	25.5%	23.0%
Net debt/EBITDA⁽³⁾	0.6x	0.8x		

* Adjustments to financial indicators are set out in Appendix 1.

▶ Customer base

The Group's customer base stood at over **75** million at the end of March 2023.

▶ Revenues

In the three months to March 31, 2023, the Maroc Telecom Group recorded consolidated revenues⁽⁴⁾ of MAD **9.1** billion, up **3.7%** (**+1.0%** at constant exchange rates⁽¹⁾), driven by international revenues, up **7.3%** (**+1.8%** at constant exchange rates⁽¹⁾), as well as revenues in Morocco, which rose by **0.6%** compared with the same period in 2022.

▶ Earnings from operations before depreciation and amortization

The Maroc Telecom Group's first-quarter 2023 adjusted earnings from operations before depreciation and amortization (EBITDA) were up **2.6%** (**+0.3%** at constant exchange rates⁽¹⁾) at MAD **4,637** million, mainly thanks to the favorable impact of the reduction in Mobile termination rates in some subsidiaries and tight control over operating costs.

The adjusted EBITDA margin remained high at **51.0%**.

▶ Earnings from operations

The Maroc Telecom Group's first-quarter 2023 adjusted earnings from operations (EBITA) reached MAD **2,890** million, up **2.7%** (**+0.5%** at constant exchange rates⁽¹⁾) in line with the improvement in EBITDA. The adjusted operating margin was **31.8%**.



▶ **Net income Group share**

In the first quarter of 2023, adjusted net income Group share was up **1.8%** (**+0.9%** at constant exchange rates⁽¹⁾) compared with the first quarter of the previous year.

▶ **Cash flow**

Adjusted cash flows from operations (CFFO⁽⁶⁾) amounted to MAD **3,400** million, up **7.9%** (**+5.8%** at constant exchange rates⁽¹⁾) compared with the same period in 2022.

GROUP BUSINESS REVIEW

The adjustments to the “Morocco” and “International” financial indicators are explained in Appendix 1.

- **Morocco**

(IFRS in MAD millions)	Q1 2022	Q1 2023	Change
Revenues	4,756	4,783	0.6%
Mobile	2,816	2,833	0.6%
Services	2,703	2,691	-0.4%
Equipment	113	142	25.2%
Fixed	2,394	2,386	-0.3%
Of which Fixed Data*	986	1,056	7.2%
Elimination and other income	-454	-436	
Adjusted EBITDA	2,613	2,626	0.5%
Margin (%)	54.9%	54.9%	-0.1 pt
Adjusted EBITA	1,742	1,753	0.7%
Margin (%)	36.6%	36.7%	0.0 pt
CAPEX⁽²⁾	726	416	-42.6%
Of which frequencies and licenses	0	0	
CAPEX/Revenues (excluding frequencies and licenses)	15.3%	8.7%	-6.6 pt
Adjusted CFFO	1,919	2,061	7.4%
Net debt	7,789	8,539	9.6%
Net debt/EBITDA⁽³⁾	0.7x	0.8x	

* Fixed Data includes Internet, ADSL TV and Data services to companies.

In the first three months of 2023, Moroccan operations recorded slight growth of **0.6%** and totaled MAD **4,783** million. This performance is mainly due to the Fixed Data revenues (**+7.2%**).

Adjusted earnings from operations before depreciation and amortization (EBITDA) amounted to MAD **2,626** million, up **0.5%** compared with the same period of the previous year. The EBITDA margin was stable year-on-year at the high level of **54.9%**.

Adjusted earnings from operations (EBITA⁽⁵⁾) amounted to MAD **1,753** million, up **0.7%**, mainly bolstered by the increase in EBITDA. The adjusted EBITA margin was stable compared to 2022 at **36.7%**.

In the first quarter of 2023, adjusted cash flows from operations (CFFO⁽⁶⁾) increased by **7.4%** to MAD **2,061** million.

Mobile

	Unit	03/31/2022	03/31/2023	Change
Customer base⁽⁸⁾	(000)	19,867	19,159	-3.6%
Prepaid	(000)	17,487	16,719	-4.4%
Postpaid	(000)	2,380	2,440	2.5%
Of which Internet 3G/4G+⁽⁹⁾	(000)	10,287	10,939	6.3%
ARPU⁽¹⁰⁾	(MAD/month)	44.9	45.7	1.8%

At the end of March 2023, the Mobile customer base⁽⁸⁾ totaled **19.2** million, with postpaid customer base up **2.5%** year-on-year.

Mobile revenues for the first quarter of 2023 were up **0.6%** compared with the same period last year.

First-quarter 2023 blended ARPU amounted to MAD **45.7**, up **1.8%** year-on-year.

Fixed-line and Internet

	Unit	03/31/2022	03/31/2023	Change
Fixed-line	(000)	1,959	1,899	-3.0%
Broadband access⁽¹¹⁾	(000)	1,723	1,677	-2.6%

The Fixed-line customer base stands at nearly **1.9** million lines at end-March 2023. The growth of the FTTH customer base (**+45%**) virtually offsets the decline in the ADSL customer base.

Fixed-line and Internet activities generated revenues of MAD **2.4** billion, slightly down by **0.3%** compared to 2022. The growth in Fixed Data (**+7.2%**) offsets the decline in Voice.

- **International**

Financial indicators

<i>(IFRS in MAD millions)</i>	Q1 2022	Q1 2023	Change	Change at constant exchange rates ⁽¹⁾
Revenues	4,282	4,593	7.3%	1.8%
<i>Of which Mobile services</i>	3,960	4,238	7.0%	1.5%
Adjusted EBITDA	1,906	2,011	5.5%	0.1%
<i>Margin (%)</i>	44.5%	43.8%	-0.7 pt	-0.7 pt
Adjusted EBITA	1,074	1,137	5.9%	0.3%
<i>Margin (%)</i>	25.1%	24.8%	-0.3 pt	-0.4 pt
CAPEX⁽²⁾	411	438	6.6%	0.8%
<i>Of which frequencies and licenses</i>	0	0		
<i>CAPEX/Revenues (excluding frequencies and licenses)</i>	9.6%	9.5%	-0.1 pt	-0.1 pt
Adjusted CFFO	1,232	1,339	8.7%	3.2%
Net debt	5,249	7,135	35.9%	30.0%
Net debt/EBITDA⁽³⁾	0.6x	0.8x		

In the first quarter of 2023, the Group's international activities recorded revenues of MAD 4.6 billion, up 7.3% (+1.8% at constant exchange rates⁽¹⁾), driven by the growth of Mobile Data of 27% (+20% at constant exchange rates⁽¹⁾) and the increase of Mobile Money activities of 12% (+7% at constant exchange rates⁽¹⁾). Excluding the reduction in call termination rates, subsidiaries' revenues rose by 2.1% at constant exchange rates⁽¹⁾.

Over the same period, adjusted earnings from operations before depreciation and amortization (EBITDA) amounted to MAD 2,011 million, up 5.5% (+0.1% at constant exchange rates⁽¹⁾) versus Q1 2022 thanks to revenue growth.

Adjusted earnings from operations (EBITA⁽⁵⁾) for the first quarter of 2023 totaled MAD 1,137 million, up 5.9% (+0.3% at constant exchange rates⁽¹⁾), driven by EBITDA growth.

Adjusted cash flows from operations (CFFO⁽⁶⁾) amounted to MAD 1,339 million, up 8.7% (+3.2% at constant exchange rates⁽¹⁾).

Operating indicators

	Unit	03/31/2022	03/31/2023	Change
Mobile				
Customer base⁽⁸⁾	(000)	51,786	51,780	
Mauritania		3,031	2,735	-9.8%
Burkina Faso		10,637	10,994	3.4%
Gabon		1,533	1,570	2.4%
Mali		9,263	9,009	-2.7%
Côte d'Ivoire		10,727	10,193	-5.0%
Benin		5,261	5,515	4.8%
Togo		2,601	2,824	8.6%
Niger		3,202	2,924	-8.7%
Central African Republic		213	219	2.6%
Chad		5,318	5,797	9.0%
Fixed-Line				
Customer base	(000)	355	363	
Mauritania		57	46	-19.1%
Burkina Faso		76	76	-0.8%
Gabon		34	46	35.9%
Mali		188	195	3.9%
Fixed Broadband				
Base⁽¹¹⁾	(000)	147	165	
Mauritania		19	20	5.4%
Burkina Faso		16	17	6.0%
Gabon		30	43	41.3%
Mali		82	86	4.8%

Notes:

- (1) Constant MAD/ouguiya/CFA franc exchange rate.
- (2) Capital expenditure corresponds to acquisitions of property, plant and equipment and intangible assets recognized during the period.
- (3) The net debt/EBITDA ratio excludes the impact of IFRS 16, and takes into account the annualization of EBITDA.
- (4) Maroc Telecom consolidates in its financial statements Casanet and the Moov Africa subsidiaries in Mauritania, Burkina Faso, Gabon, Mali, Côte d'Ivoire, Benin, Togo, Niger, Central African Republic and Chad.
- (5) EBITA corresponds to operating profit before amortization of intangible assets related to business combinations, impairment of goodwill and other intangible assets related to business combinations and other income and expenses related to financial investment transactions and transactions with shareholders (except when they are recognized directly in equity).
- (6) CFFO comprises the net cash flows from operating activities before taxes as presented in the cash flow statement, as well as dividends received from associates and non-consolidated equity interests. It also includes net capital expenditure, which corresponds to net cash outflows on acquisitions and disposals of property, plant and equipment and intangible assets.
- (7) Borrowings and other current and non-current liabilities less cash (and cash equivalents) including cash blocked for bank loans.
- (8) The active customer base consists of prepaid customers who have made or received a voice call (excluding calls from the public telecommunication network operator concerned or its Customer Relations Centers) or sent an SMS/MMS or who have used the Data services (excluding exchanges of technical data with the public telecommunication network operator concerned) in the past three months, and non-terminated postpaid customers.
- (9) The active customer base of the 3G and 4G+ Mobile Internet includes holders of a postpaid subscription contract (whether or not coupled with a voice offer) and holders of a prepaid subscription to the Internet service who have carried out at least one recharge during the past three months or whose credit is valid and who have used the service during this period.
- (10) ARPU (average revenues per user) is defined as revenues generated by incoming and outgoing calls and data services net of promotions, excluding roaming and equipment sales, divided by the average number of users in the period. This is the blended ARPU of the prepaid and postpaid segments.
- (11) The Broadband customer base includes ADSL, FTTH and leased connections and also includes CDMA in Mali.

Important Warning:

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.

Maroc Telecom is a global telecommunications operator in Morocco, a leader in all its business segments, Fixed-line, Mobile and Internet. It has grown internationally and is now present in eleven countries in Africa. Maroc Telecom is listed simultaneously in Casablanca and Paris and its reference shareholders are the Société de Participation dans les Télécommunications (SPT)* (53%) and the Kingdom of Morocco (22%).

* SPT is a Moroccan company controlled by Etisalat.

Contacts

Investor relations
relations.investisseurs@iam.ma

Press relations
relations.presse@iam.ma

Appendix 1: Relationship between adjusted financial indicators and published financial indicators

Adjusted EBITDA, adjusted EBITA, adjusted net income – Group share and adjusted CFFO are not strictly accounting indicators, and should be considered as additional information. They better illustrate the Group's performance by excluding exceptional items.

(in MAD millions)	Q1 2022			Q1 2023		
	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	2,613	1,906	4,519	2,626	2,011	4,637
Published EBITDA	2,613	1,906	4,519	2,626	2,011	4,637
Adjusted EBITA	1,742	1,074	2,815	1,753	1,137	2,890
Restructuring costs		-2	-2			
Published EBITA	1,742	1,071	2,813	1,753	1,137	2,890
Adjusted net income Group share			1,500			1,527
Restructuring costs			-1			
Published net income Group share			1,499			1,527
Adjusted CFFO	1,919	1,232	3,151	2,061	1,339	3,400
Restructuring costs		2	2			
Published CFFO	1,919	1,229	3,148	2,061	1,339	3,400

Appendix 2: Impact IFRS 16 norm

At the end of March 2023, the impacts of the application of IFRS 16 on the main indicators of the Maroc Telecom Group were as follows:

(in MAD millions)	Q1 2022			Q1 2023		
	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	65	60	125	65	78	143
Adjusted EBITA	4	11	16	4	11	15
Adjusted net income Group share			0			-3
Adjusted CFFO	65	60	125	65	78	143
Net debt	755	691	1,447	792	824	1,615