

2019 HALF-YEAR RESULTS

PRESENTATION TO
FINANCIAL ANALYSTS

July 22, 2019



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HIGHLIGHTS

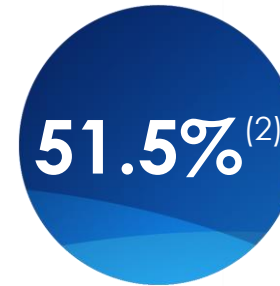


H1 2019 Highlights

GROWTH IN CONSOLIDATED REVENUE



MAINTAINING A HIGH EBITDA MARGIN



HIGHER NET INCOME GROUP SHARE



GOOD PERFORMANCE OF MOBILE REVENUES IN MOROCCO



GROWTH IN MOBILE DATA REVENUE



EXPANSION OF THE GROUP'S SCOPE WITH THE ACQUISITION OF TIGO CHAD⁽³⁾

1) At constant exchange rates

2) On a comparable basis (constant exchange rates maintained and the impact of the application of IFRS16 neutralized)

3) Tigo Chad will be consolidated in Maroc Telecom's accounts in H2 2019

Regulatory highlights

In Morocco

Enactment of Act No. 121.12, amending and supplementing Act 24-96, which establishes a general obligation to access and share infrastructure and an increase in the level of penalties ;

Maintaining a tariff asymmetry of mobile call termination to the advantage of competitors (20% with Inwi and 6% with Orange);

Study relating to the General Guidance Note launched by ANRT, still in progress;

Inwi's case and legal claim on unbundling still being examined by the courts.

In subsidiaries

Attribution of a global Mobile license to Onatel and launch of 4G.

Ongoing attribution process for 4G licenses and a new 2G/3G/4G Mobile license in Mauritania ;

In Mali and Côte d'Ivoire, decline in Mobile termination rates;

Continuing pressure by regulators for service quality and customer identification;

Continued pressure on sectoral contributions.

Other highlights H1 2019



❖ Acquisition of 100% of Tigo Chad :

- Mobile customer base⁽¹⁾ : 3.7 million
- Mobile market share (customer base)⁽¹⁾ : 51%



❖ Sale of 8% of the state's shares :

- Sale of 6% in the form of blocks of shares to Moroccan institutional investors
- Sale of 2% to the public → Operation oversubscribed 16 times
- Stock market price maintained at previous levels

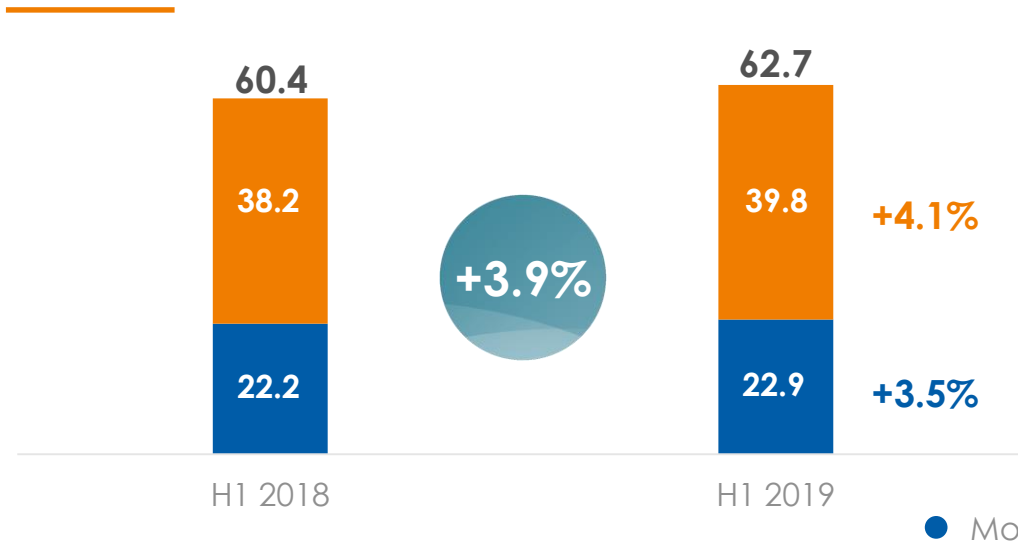


❖ West Africa submarine fiber optic cable :

Launch of an 8,200 km undersea fiber optic cable construction project (West Africa) with the goal of increasing Internet connectivity for sub-Saharan subsidiaries beginning in late 2020

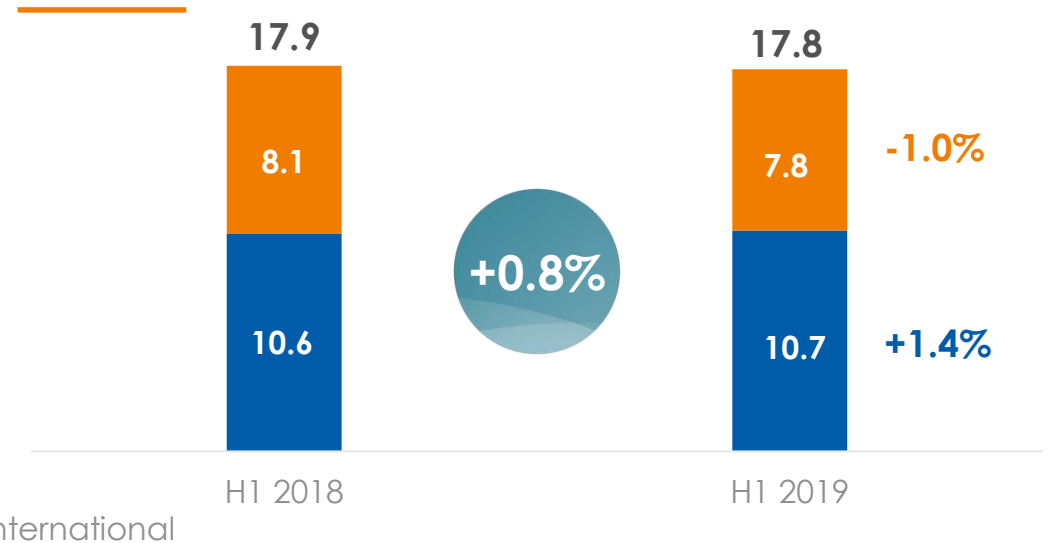
Overview

Customer base growth (million)



Strong growth in the Group's customer base (+3.9%), reaching nearly 63 million customers

Consolidated revenue growth⁽¹⁾ (MAD billion)



Continued revenue growth in Morocco **(+1.4%)** driven in particular by Mobile Internet

H1 2019 results above guidance announced

2019 Outlook⁽¹⁾

H1 2019 ACHIEVEMENTS⁽¹⁾

Stable
revenues



Stable
EBITDA



CAPEX⁽³⁾ of approximately
15% of revenues



1) At constant scope and exchange rates

2) At constant exchange rates and excluding impact of IFRS16

3) Excluding frequencies & licenses

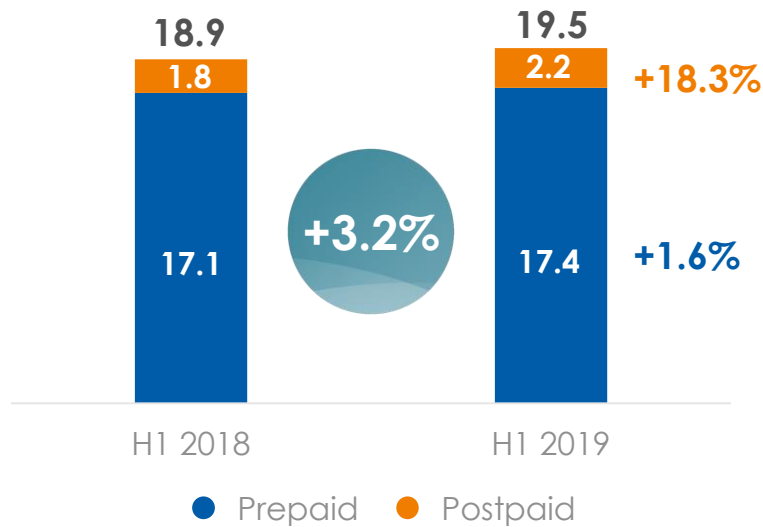
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BUSINESS REVIEW

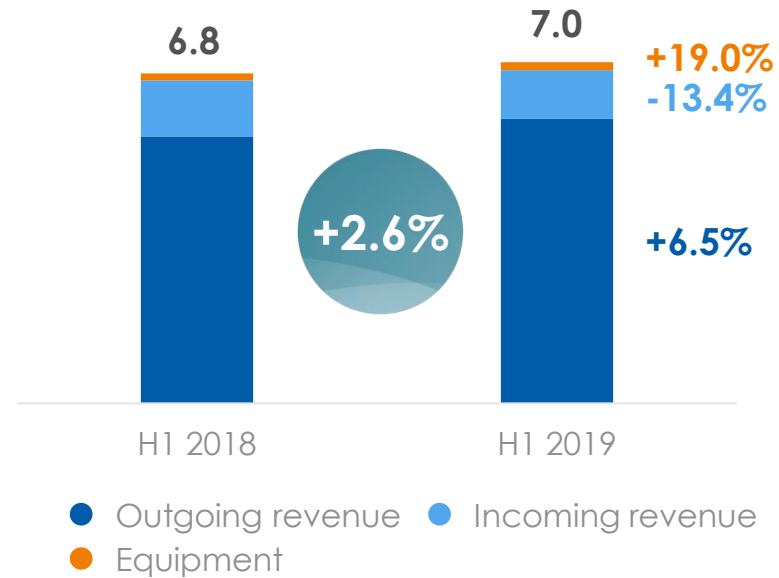


Morocco Mobile

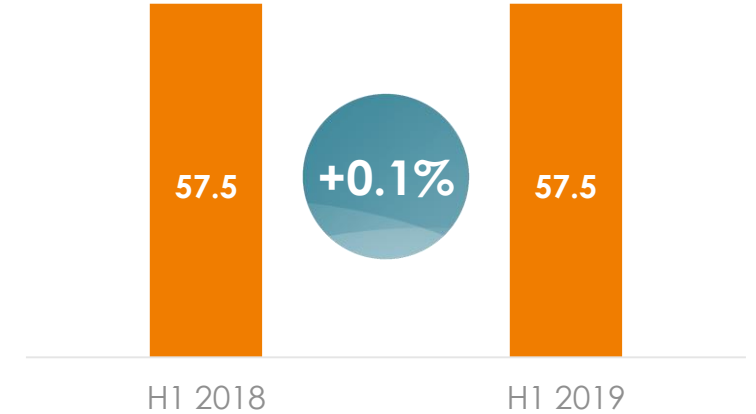
Mobile customer base (million)



Mobile revenue (MAD billion)



ARPU (MAD/month)

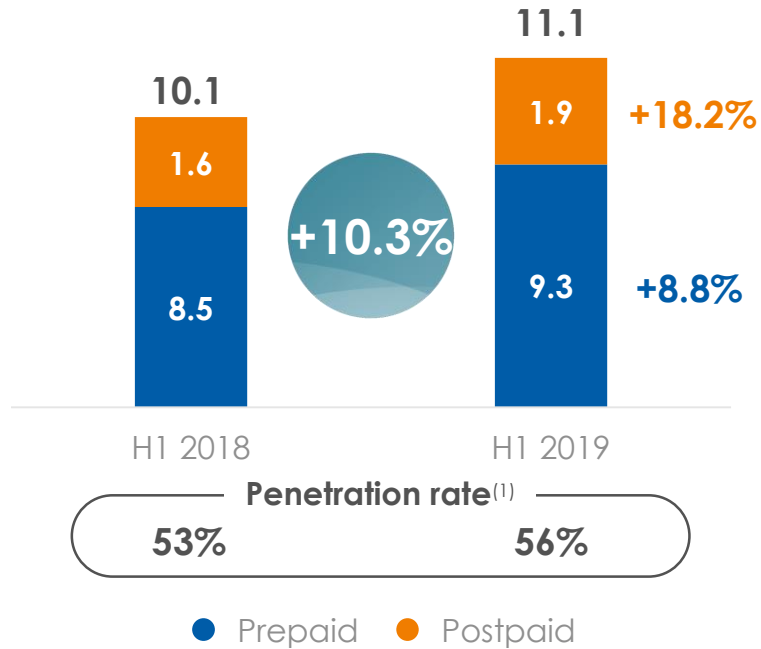


Growth in outgoing revenue driven by the Data
Drop in incoming revenue due to lower traffic

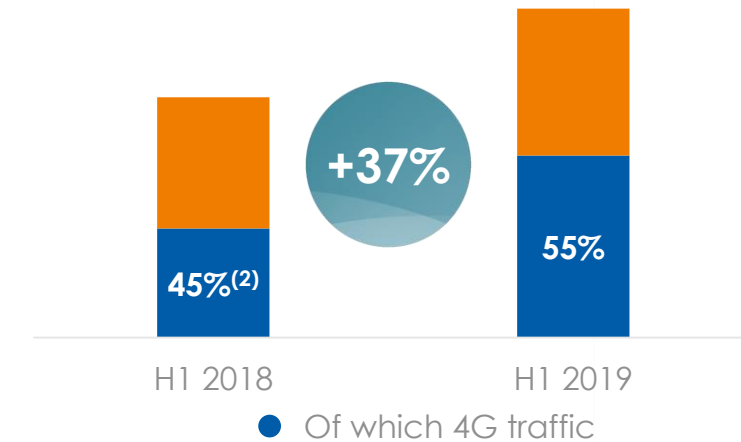
Morocco

Mobile Internet: Continued growth

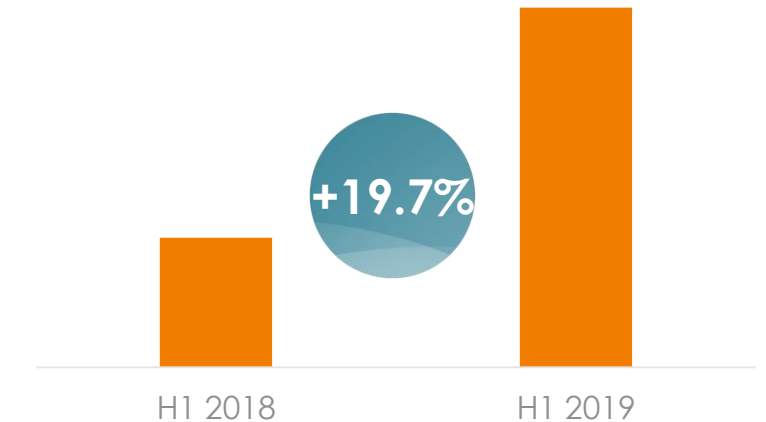
Mobile Internet base (million)



Data traffic



Data revenue



Mobile Internet very popular

Customers continue to equip themselves with 4G smartphones, which **represent 40% of the global active customers base**

Maroc Telecom is the leader in Mobile Internet with a 51%⁽³⁾ market share at the end of March 2019

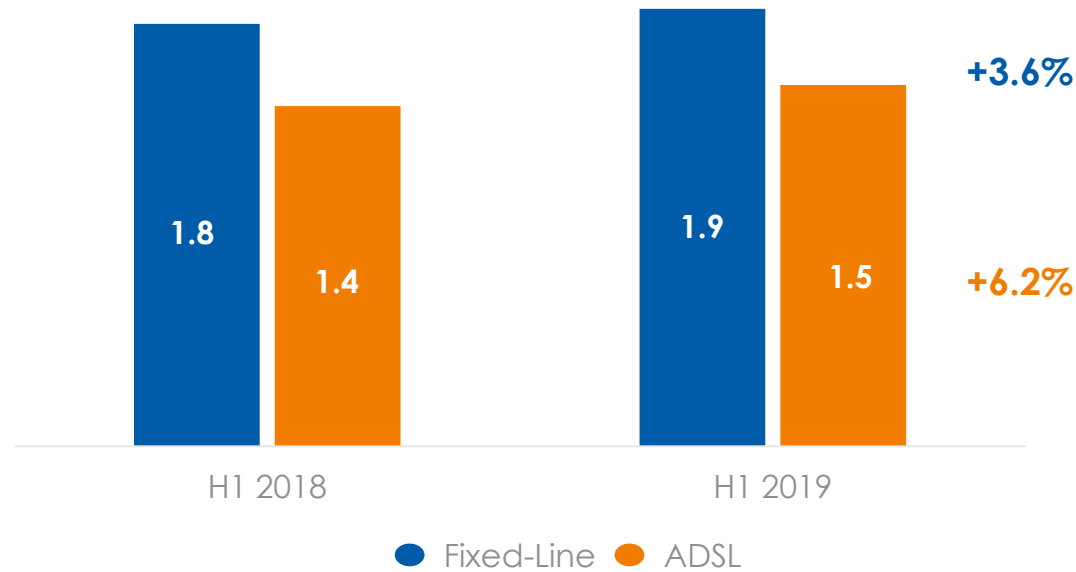
(+1.7 pt in one year)

1) Calculated on the Maroc Telecom customer base
 2) Restated following a change in the calculation method
 3) ANRT Q1 2019

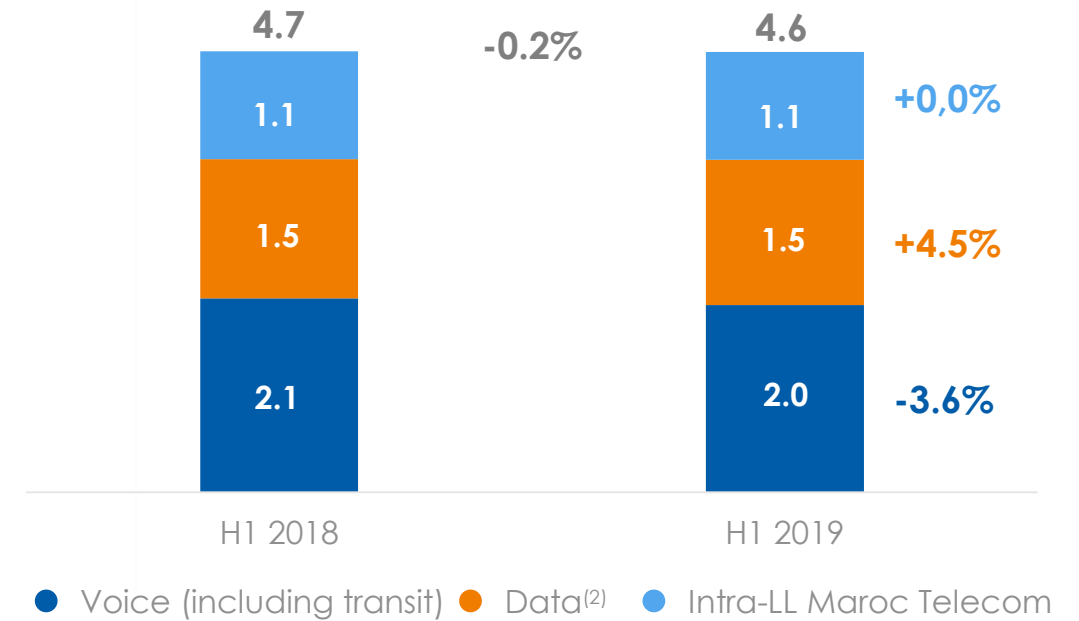
Morocco

Fixed-line and Internet: growth in Data revenue

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



Fixed-line & Internet revenue (MAD billion)



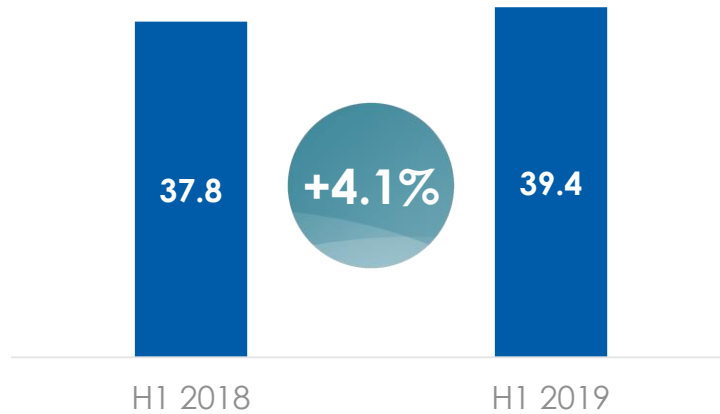
Continued growth in Fixed Data revenues
Sharp growth in FTTH customer base

1) Including narrowband and leased lines

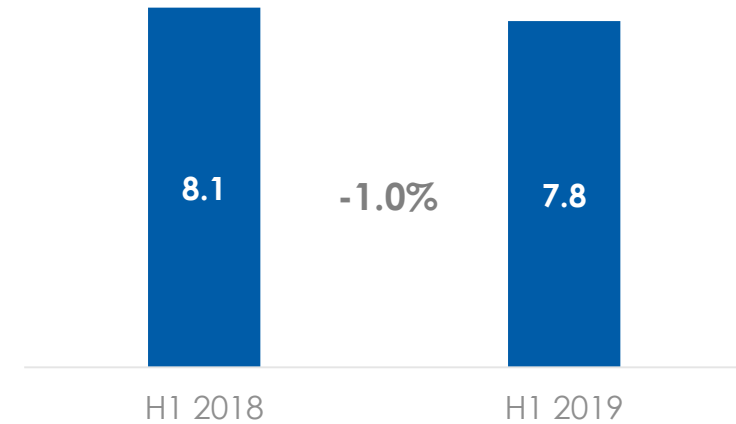
2) Fixed-Line data includes Internet, ADSL TV and corporate Data services

International Revenue sustained by Data

Mobile customer base (million)



Revenue⁽¹⁾ (MAD billion)



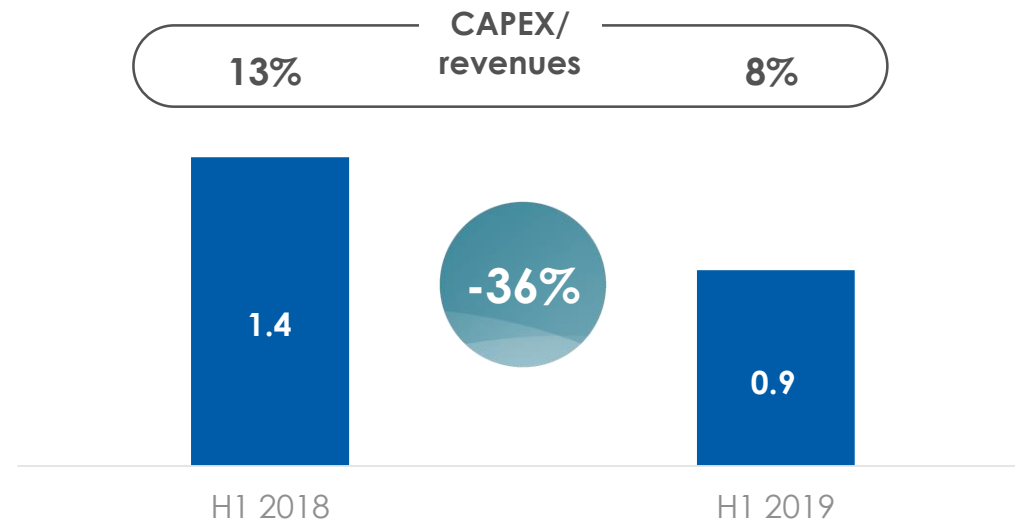
Sustained growth in Mobile customer base (+4.1%)

25% growth in Mobile Data which compensates for the decline in call termination rates and incoming international traffic. Restated for the impact of the decline in call termination rates, **revenues from international activities increased by 0,7%⁽¹⁾**

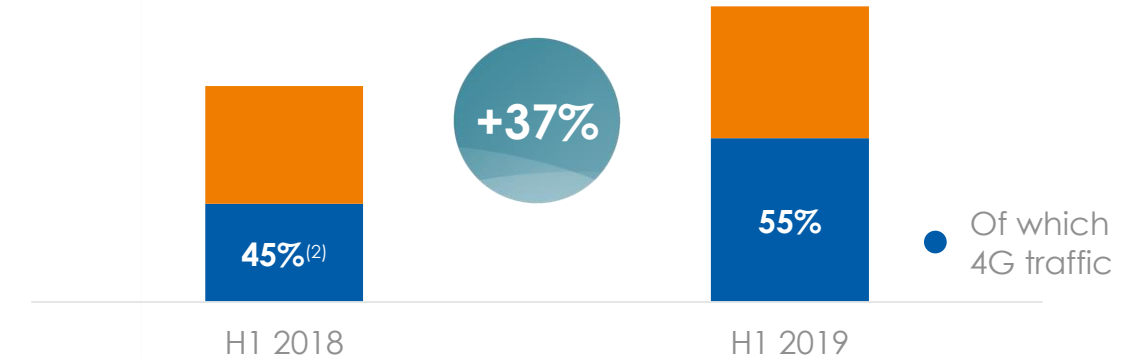
1) At constant exchange rates

Morocco Investments

CAPEX⁽¹⁾ (MAD billion)



Change in Mobile Data traffic



Sustained growth in Mobile Data traffic with a 4G population coverage rate of 98% and 99% for 3G, confirming Maroc Telecom's position as the No. 1 4G+ operator in Morocco

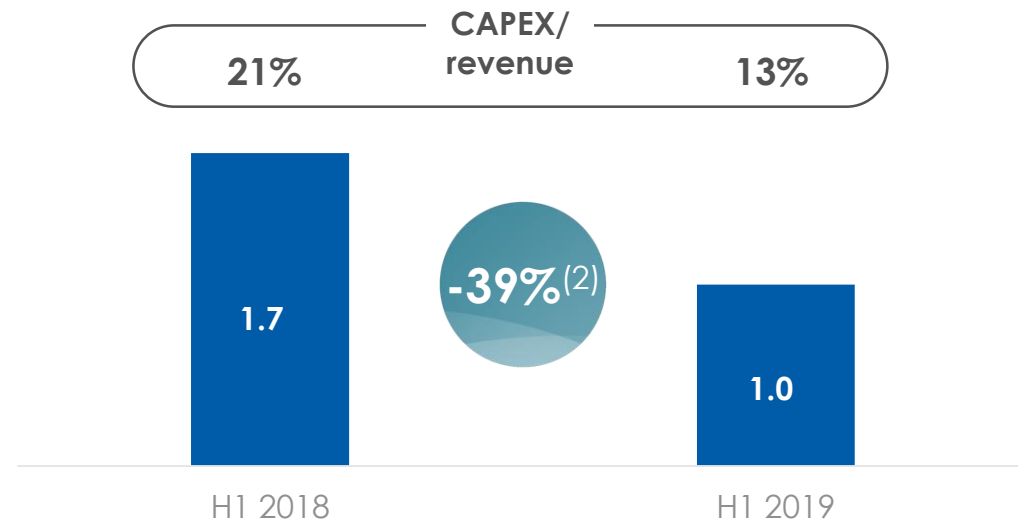
Adjusting CAPEX level through technical optimization and revision of acquisition prices
 Continuing to invest in fiber optics both in the backbone and on access networks
 Activating 2600 Mhz and 800 Mhz in 4G to improve Indoor and Outdoor coverage

1) Excluding frequencies & licenses

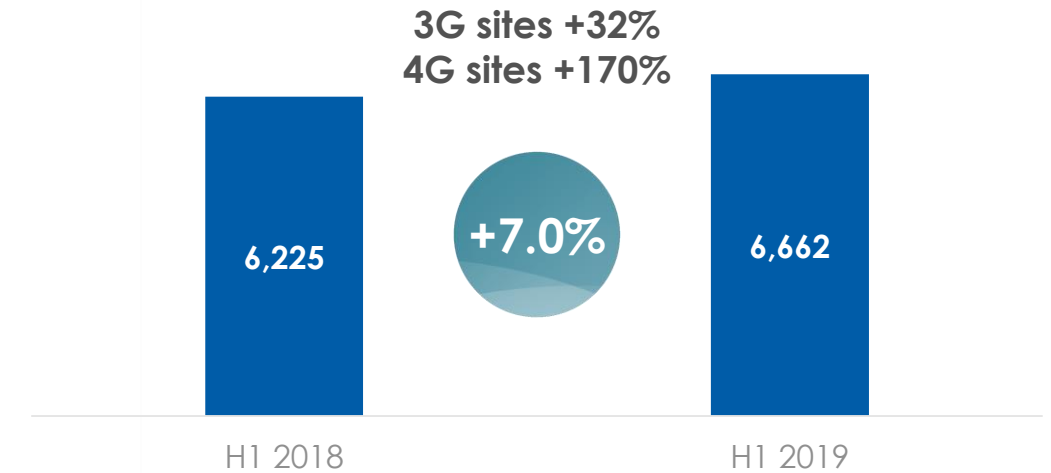
2) Restated following a change in the calculation method

International Development of High Speed

CAPEX⁽¹⁾ (MAD billion)



Change in physical radio sites



Expansion and densification of Radio coverage together with high-speed Mobile development and infrastructure upgrades

Optimization of investments through purchasing synergies and sharing of technological and operational expertise

Launch of 4G in Burkina Faso

Launch of an 8,200 km undersea fiber optic cable construction project (West Africa) with the goal of increasing Internet connectivity for sub-Saharan subsidiaries beginning in late 2020

1) Excluding frequencies & licenses

2) At constant exchange rates

03

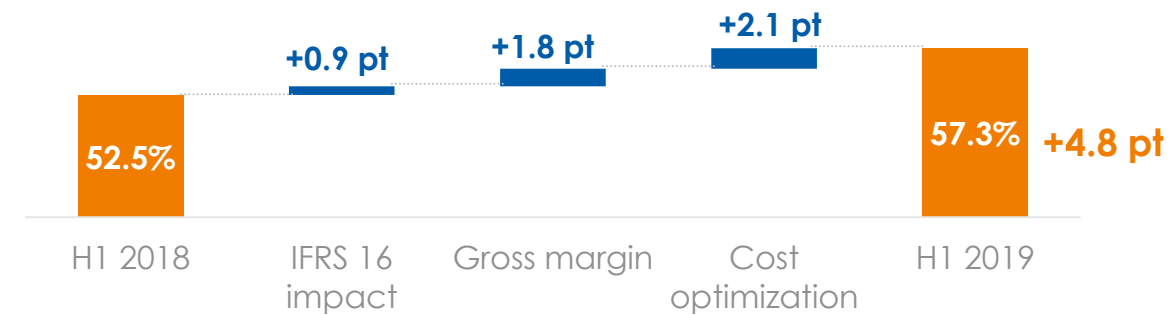
FINANCIAL REVIEW



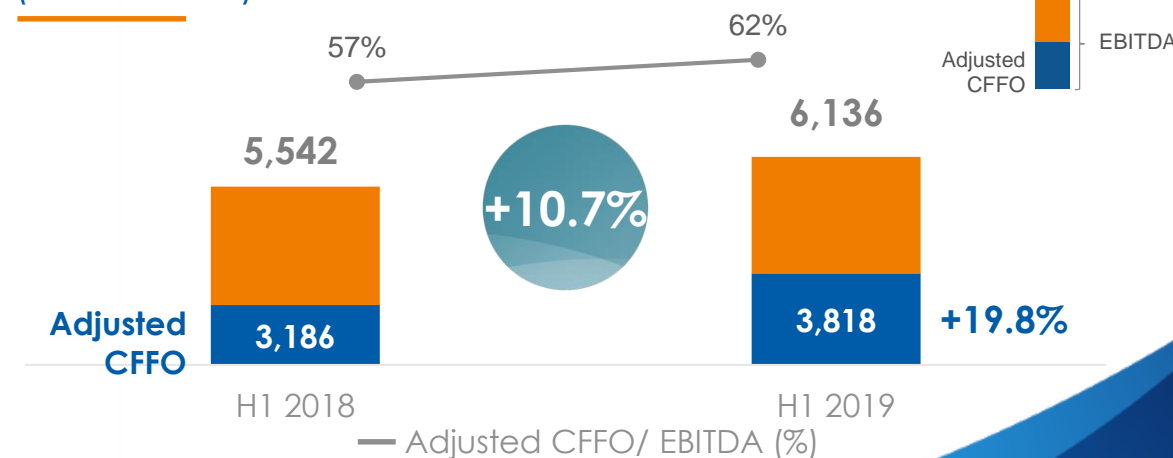
Morocco Improved results

MAD million	H1 2018	H1 2019	Change	Change on a comparable basis ⁽¹⁾
Revenues	10,562	10,713	1.4%	1.4%
EBITDA	5,542	6,136	+10.7%	+9.0%
Margin (%)	52.5%	57.3%	+4.8 pt	+3.9 pt
Adjusted EBITA ⁽²⁾	3,679	4,170	+13.3%	+13.2%
Margin (%)	34.8%	38.9%	+4.1 pt	+4.0 pt
CAPEX	1,376	877	-36.3%	
o/w licenses & frequencies	0	0		
CAPEX / REVENUE (excluding licenses and frequencies)	13.0%	8.2%	-4.8 pt	
Adjusted CFO ⁽²⁾	3,186	3,818	+19.8%	+16.7%
% EBITDA	57.5%	62.2%	+4.7 pt	+4.1 pt
Net Debt	14,119	15,299	+8.4%	+2.4%
Net debt/EBITDA	1.3x	1.2x		

Increase in an already high EBITDA margin (In %)



Solid cash generation (MAD million)



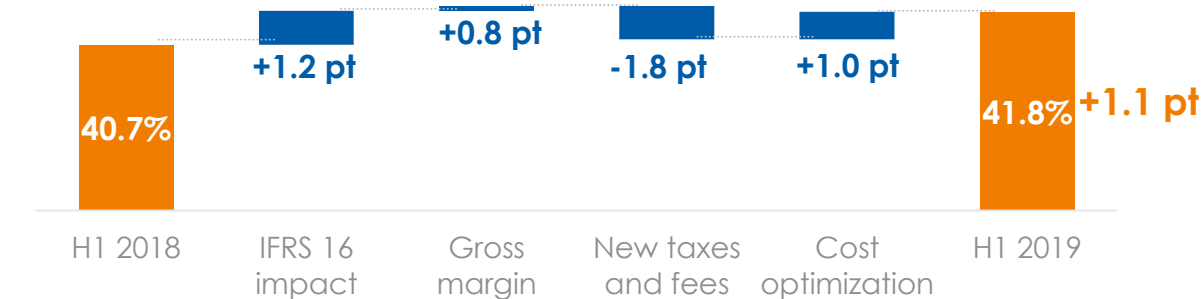
1) On a comparable basis (constant exchange rates maintained and the impact of the application of IFRS16 neutralized)

2) See Appendix 2

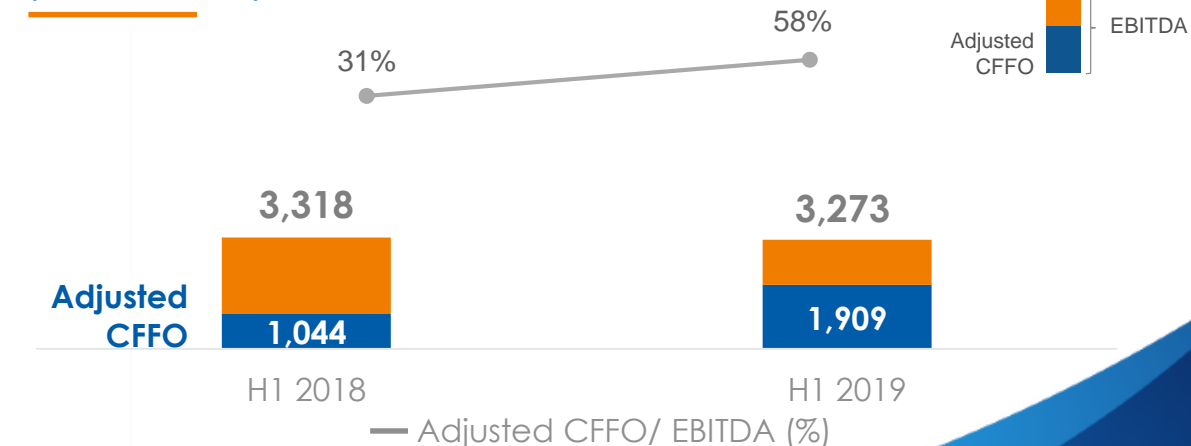
International

MAD million	H1 2018	H1 2019	Change	Change on a comparable basis ⁽¹⁾
Revenues	8,146	7,824	-4.0%	-1.0%
EBITDA	3,318	3,273	-1.4%	-1.3%
Margin (%)	40.7%	41.8%	+1.1 pt	-0.1 pt
Adjusted EBITA ⁽²⁾	1,861	1,692	-9.1 %	-7.0 %
Margin (%)	22.8%	21.6%	-1.2 pt	-1.4 pt
CAPEX	2,223	2,351	+5,7%	+9,2%
o/w licenses & frequencies	480	1,327		
CAPEX / REVENUE (excluding licenses and frequencies)	21.4%	13.1%	-8.3 pt	-8.3 pt
Adjusted CFO ⁽²⁾	1,044	1,909	+82.9%	+73.0%
% EBITDA	31.5%	58.3%	+26.9 pt	+23.7 pt
Net Debt	6,583	8,698	+32.1%	+27.9%
Net debt/EBITDA	1.0x	1.3x		

Higher EBITDA Margin thanks to cost-control efforts (in %)



Solid cash generation (MAD million)



1) On a comparable basis (constant exchange rates maintained and the impact of the application of IFRS16 neutralized)

2) See Appendix 2

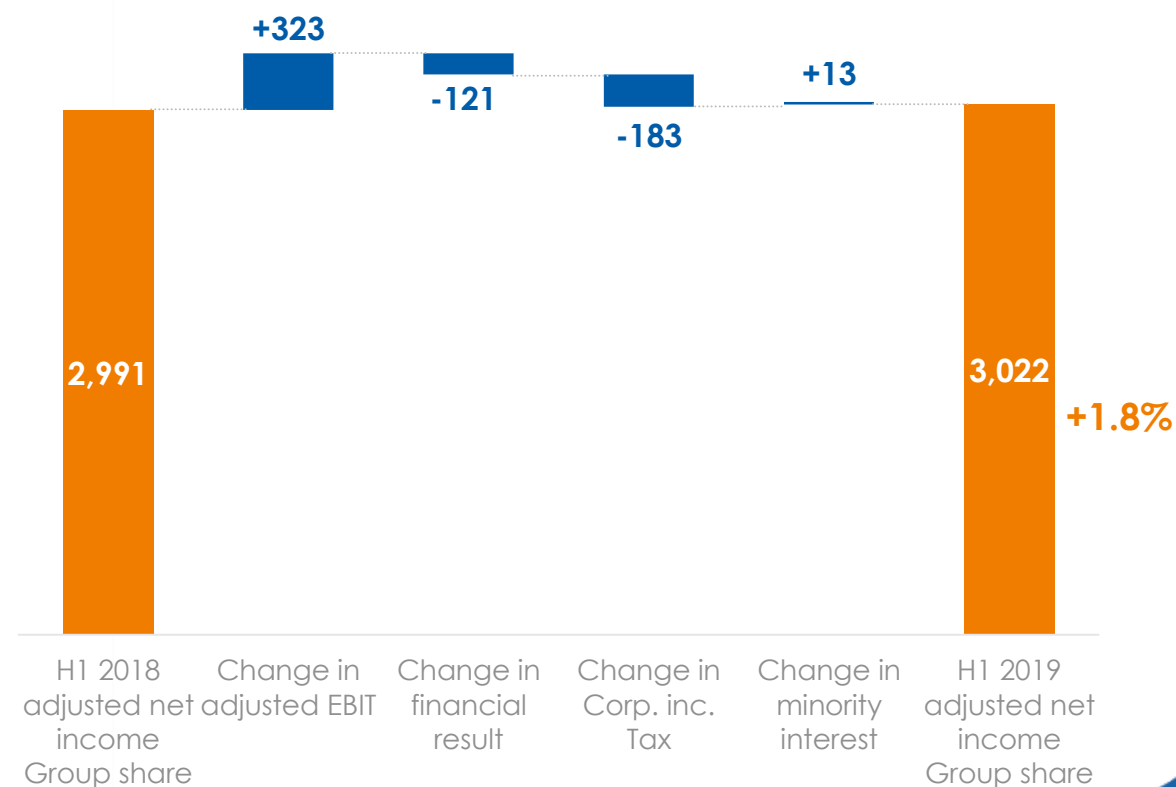
Maroc Telecom group

Consolidated results

MAD million	H1 2018	H1 2019	Change	Change on a comparable basis ⁽¹⁾
Revenues	17,939	17,844	-0.5%	+0.8%
EBITDA	8,860	9,409	+6.2%	+5.1%
Margin (%)	49.4%	52.7%	+3.3 pt	+2.1 pt
Adjusted EBITA ⁽²⁾	5,540	5,862	+5.8%	+6.4%
Margin (%)	30.9%	32.9%	+2.0 pt	+1.7 pt
Financial Income	-210	-331	+57.6%	
Corp. inc. tax	-1,856	-2,040	+9.9%	
Minorities	-476	-463	-2.7%	
Adjusted Net Income ⁽²⁾ group share	2,991	3,022	+1.0%	+1.8%
Margin (%)	16.7%	16.9%	+0.3 pt	+0.2 pt
Published Net Income	3,468	3,485	+0.5%	+1.5%

Adjusted net income, Group share

(MAD million)



1) On a comparable basis (constant exchange rates maintained and the impact of the application of IFRS16 neutralized)

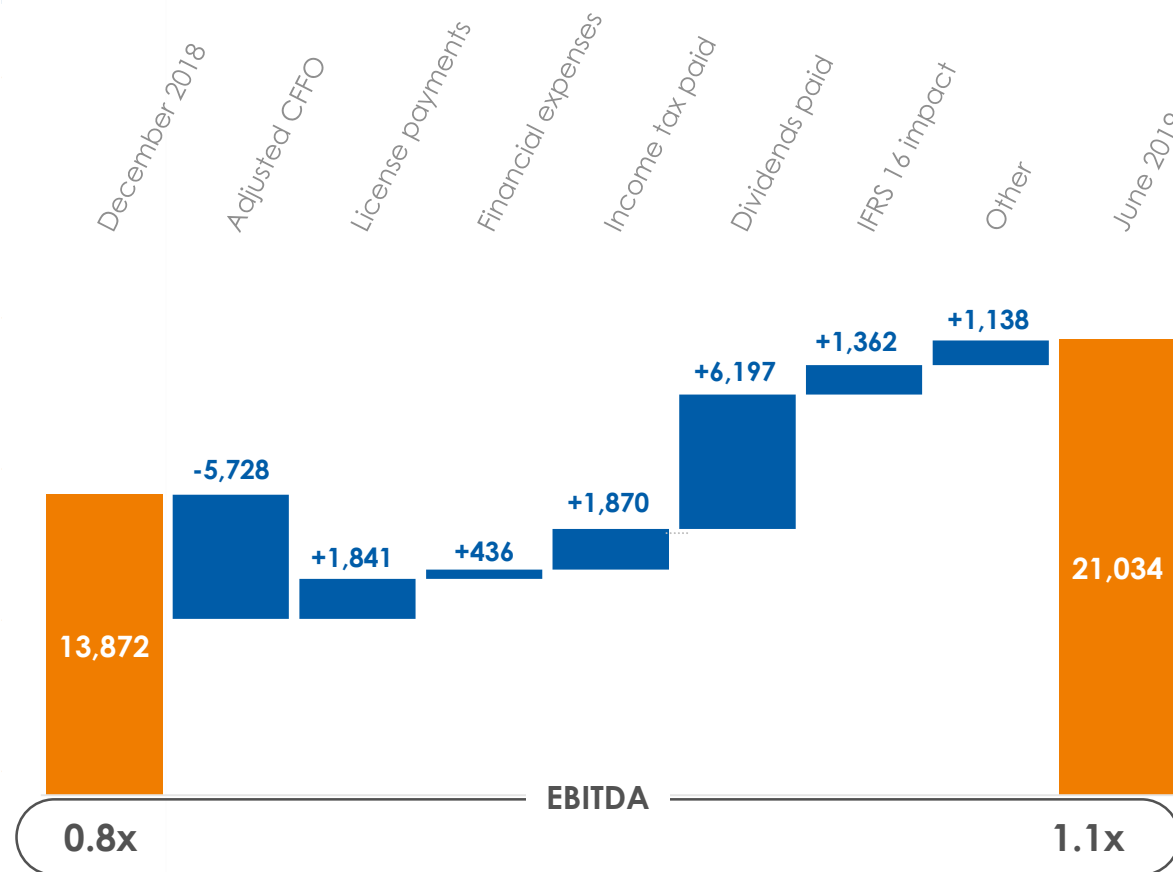
2) See Appendix 2

Maroc Telecom Group

Consolidated Cash Flow

MAD million	H1 2018	H1 2019	Change	Change on a comparable basis ⁽¹⁾
EBITDA	8,860	9,409	+6.2%	+5.1%
CAPEX	3,599	3,227	-10.3%	-8.2%
o/w licenses & frequencies	480	1,327		
CAPEX / REVENUE (excluding licenses and frequencies)	17.4%	10.7%	-6.7 pt	-6.7 pt
Adjusted CFFO ⁽²⁾	4,230	5,728	+35.4%	+30.6%
% EBITDA	47.7%	60.9%	+13.1 pt	+11.6 pt
Financial expenses	-284	-436	-53.7%	
Income tax paid	-1,571	-1,870	+19.0%	
Adjusted CFAIT ⁽²⁾	2,375	3,422	+38.7%	
% EBITDA	26.8%	36.4%	9.6 pt	
Net Debt	17,129	21,034	+22.8%	+16.3%
Net debt / EBITDA	1.0x	1.1x		

Net debt (MAD million)



1) On a comparable basis (constant exchange rates maintained and the impact of the application of IFRS16 neutralized)

2) See Appendix 2

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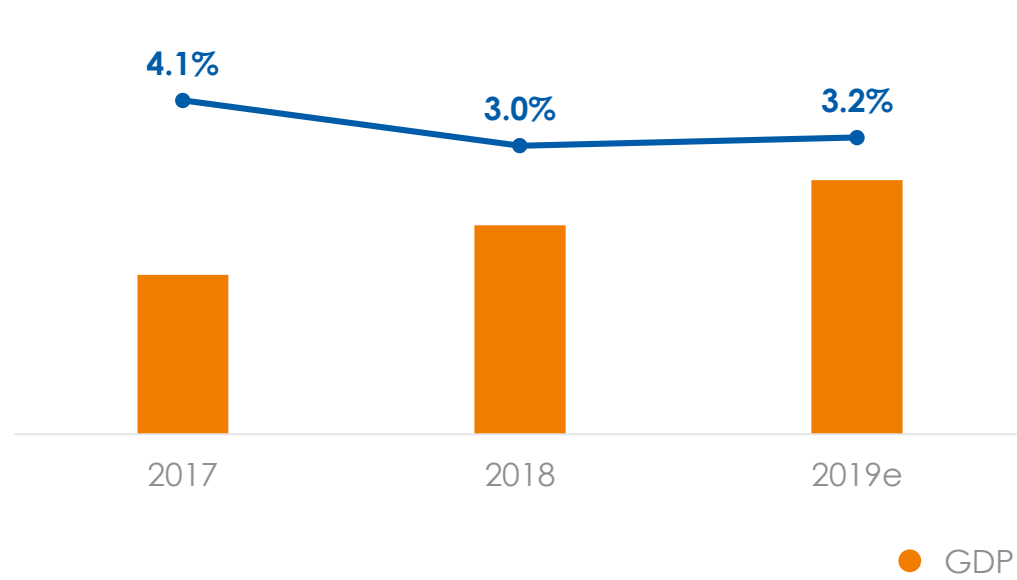
APPENDICES



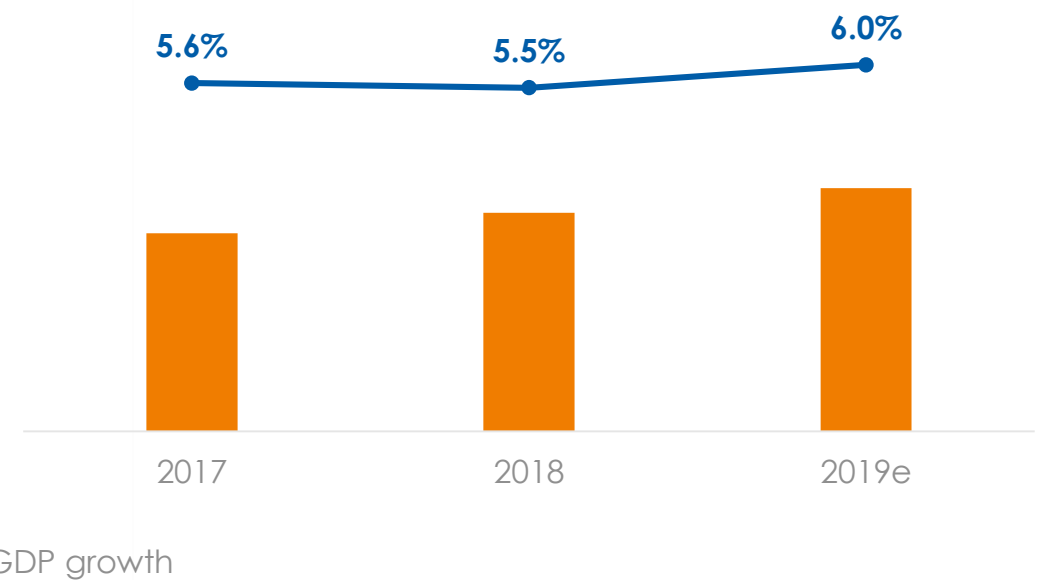
Appendix 1 Macroeconomic environment



Morocco⁽¹⁾



International⁽²⁾



● GDP ● Real GDP growth

2019 should confirm the recovery of the economy and the maintenance of good growth

Sustained economic growth
Inflation under control overall

1) Ministry of the Economy and of Finance
2) IMF Data – April 2019

Appendix 2

Transition from adjusted financial indicators to published financial indicators

MAD million	H1 2018			H1 2019		
	Morocco	International	Group	Morocco	International	Group
Adjusted EBITA	3,679	1,861	5,540	4,170	1,692	5,862
Restructuring costs	-2	+11	+9			
Published EBITA	3,677	1,872	5,549	4,170	1,692	5,862
Adjusted net income – Group share			2,991			3,022
After-tax restructuring charges			+10			
Published net income – Group share			3,001			3,022
Adjusted CFO	3,186	1,044	4,230	3,818	1,909	5,728
Restructuring costs	-2		-2			
License payments		-274	-274		-1,841	-1,841
Published CFO	3,185	769	3,954	3,818	68	3,887

Appendix 3

Impact of the adoption of IFRS 16

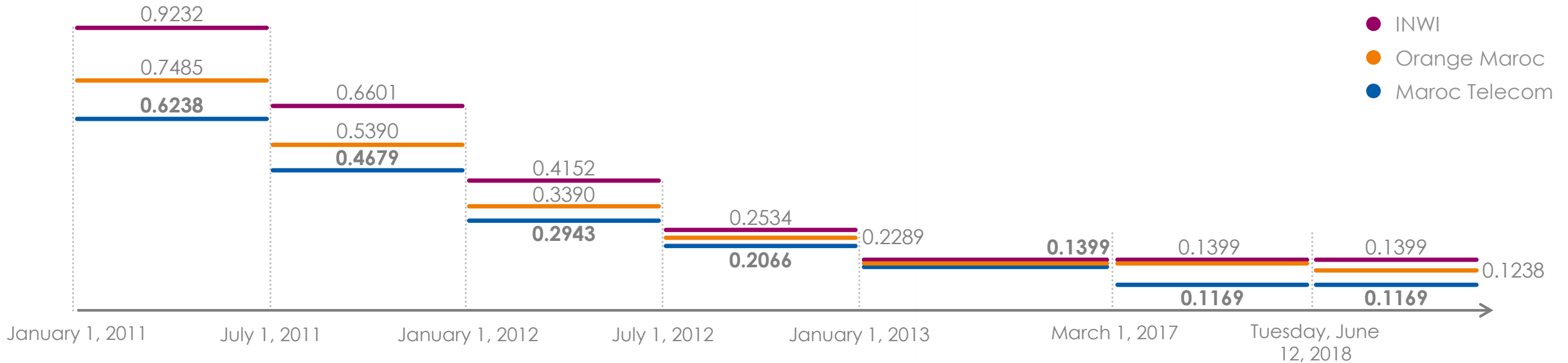
(in MAD million)	H1- 2019		
	Morocco	International	Group
EBITDA	+98	+91	+189
Adjusted EBITA	+6	+9	+15
Adjusted Net Income			-10
Group share of adjusted Net Income			-10
Adjusted CFFO	+101	+154	+254
Net Debt	+844	+518	+1,362

Appendix 4

Regulatory Environment in Morocco

Mobile termination rates












MAD/min



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	COTE D'IVOIRE	BENIN	TOGO	NIGER	CENTRAL AFRICA	Chad ⁽¹⁾
											
Acquisition year		2001	2006	2007	2009	2015	2015	2015	2015	2015	2019
Population (millions)	35.2	4.7	20.0	2.1	19.1	26.3	11.7	8.2	19.9	5.2	12.8
GDP (US\$ billion)	121	5.6	14.9	17.2	17.8	45.2	11.2	5.6	9.7	2.3	11.4
Mobile penetration	127%	97%	95%	145%	94%	134%	77%	79%	46%	32%	52%
Mobile market share (customer base)	43%	62%	39%	54%	37%	25%	46%	56%	26%	11%	50%
Competitive position	1/3	1/3	2/3	1/2	2/3	3/3	2/2	1/2	2/4	4/4	2/2
2G Technology	●	●	●	●	●	●	●	●	●	●	●
3G Technology	●	●	●	●	●	●	●	●	●	●	●
4G Technology	●		●	●	●	●	●	●			●

Source : Dataxis – Q1 2019, FMI – April 2019 et ANRT – Q1 2019

(1) : Tigo Chad will be consolidated in Maroc Telecom's financial statements in H2 2019

Important legal notices

Forward-looking statements

This presentation contains forward looking statements and provisional items concerning the financial position, operating results, strategy and outlook of Maroc Telecom and the impacts of certain transactions. Although Maroc Telecom believes that these forward-looking statements are based on reasonable assumptions, they do not amount to guarantees for the company's future performance. The actual results may be very different from the forward-looking statements because of a number of risks and uncertainties, both known and unknown. The majority of these risks are beyond our control, namely the risks described in 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] ([\[france.org\]\(http://france.org\)\). These documents are also available in French on our website \(\[www.iam.ma\]\(http://www.iam.ma\)\). This presentation contains forward-looking information which can be assessed only on the date it is disclosed. Maroc Telecom does not undertake to supplement, update, or alter these forward-looking statements as a result of new information, future events, or for any other reason, subject to the applicable regulations, and especially to Articles III.2.31 et seq. of the circular issued by the Moroccan Capital Markets Authority and to Articles 223-1 et seq. of the French Financial Markets Authority's General Regulations.](http://www.amf-</p></div><div data-bbox=)