2019 ANNUAL RESULTS

PRESENTATION TO ANALYSTS

February 17, 2020

01

HIGHLIGHTS

2019 HIGHLIGHTS

GROWTH IN CONSOLIDATED REVENUE

+0.9%[(1)]

INCREASE IN THE EBITDA MARGIN

+1.2 pts[(1)]

INCREASE IN MOBILE REVENUE IN MOROCCO

+2.2%

GROWTH IN MOBILE DATA REVENUE

+19%
Morocco

+25%[(1)]
subsidiary

LEVEL OF 3G AND 4G COVERAGE

99%

(1) On a like-for-like basis. "Like-for-like" refers to the effects of consolidating Tigo Chad as if it had taken place on July 1, 2018, an unchanged exchange rate and the neutralization of the impact of the application of IFRS 16 on EBITDA, adjusted EBITA, Group share of adjusted Net Income, adjusted CFFO and Net debt

REGULATORY HIGHLIGHTS

In Morocco

Investigation of the legal application on unbundling continues at the Rabat Commercial Court;

–

Decision delivered by the ANRT's Management Committee in respect of the referral filed by Wana on unbundling. The decision relates to a financial penalty and injunctions;

–

Sustained asymmetry in Mobile call termination rates in favor of competitors (20% with Inwi and 6% with Orange);

–

Promulgation of Act No. 121-12 amending and completing Act No. 24-96 relating to postal and telecommunications services;

–

Study on the General Guidelines Note launched by the ANRT, still in progress.

In subsidiaries

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

–

Ongoing attribution process for 4G licenses in Mauritania;

–

Decrease in the Mobile call termination rate in Mali, Côte d’Ivoire, Niger, Burkina Faso and Chad;

–

Continued pressure from regulators on QoS and customer identification;

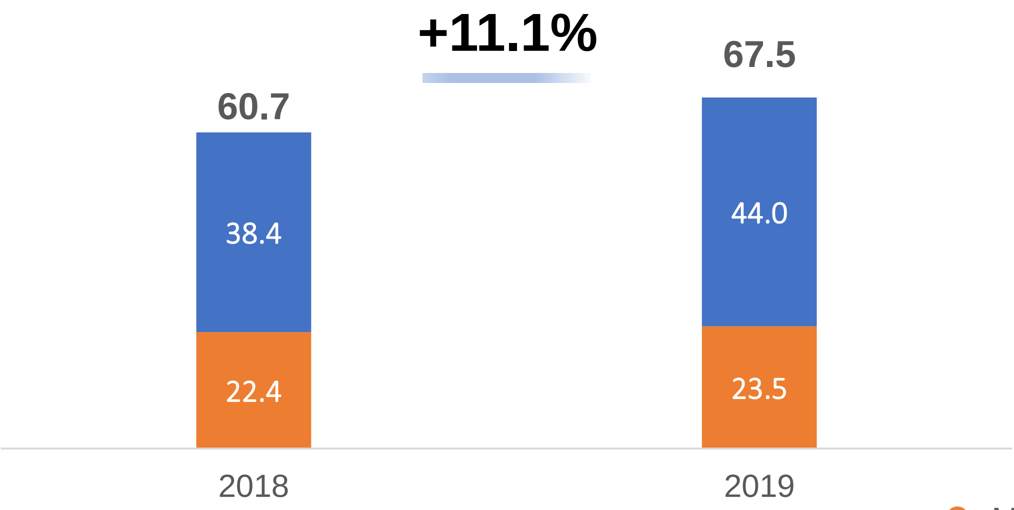
–

Continued pressure on sectoral contributions.

OVERVIEW

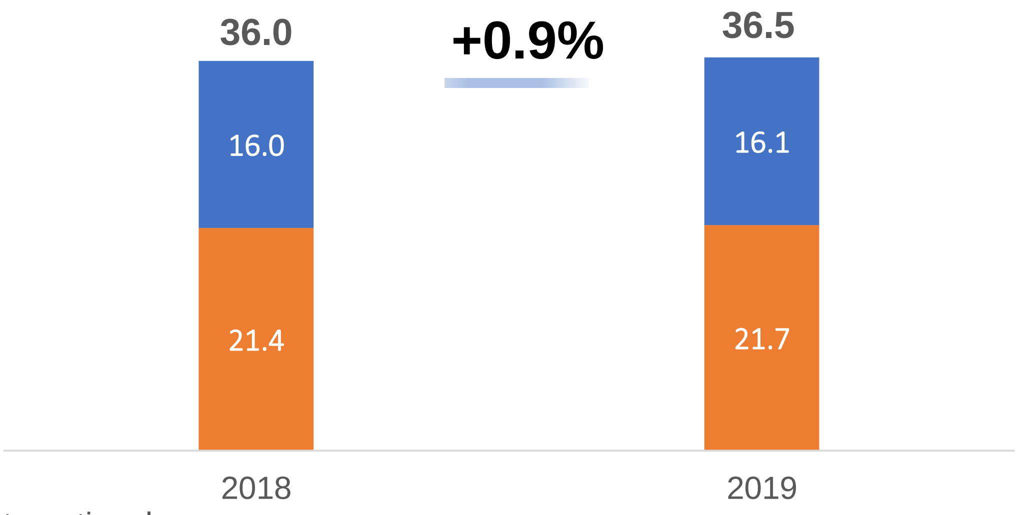
Growth in customer base

(million)



Growth in consolidated revenues[1]

(MAD billion)



Morocco International

Nearly 68 million customers in the Group (+11%) with the integration of Tigo Chad

Growth in Group revenues driven by the rise of Mobile Data in Morocco and in subsidiaries

[1] On a like-for-like basis. The like-for-like basis illustrates the impact of the Tigo Chad consolidation as if it had taken place on July 1, 2018 and assumes a constant exchange rate

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2019 RESULTS EXCEED TARGETS

2019 Outlook[1]	2019 Achievements[1]
STABLE REVENUE	+0.8% ✓
STABLE EBITDA	+3.2% ✓
CAPEX[2] OF APPROXIMATELY 15% OF REVENUE	14.8% ✓

(1) At constant scope and exchange rates and neutralization of the impact of the application of IFRS 16.
(2) Excluding frequencies & licenses

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PROPOSED DIVIDEND DISTRIBUTION

Proposed
dividend of
5.54 MAD/share

REPRESENTING
A RETURN
OF **3.8%***

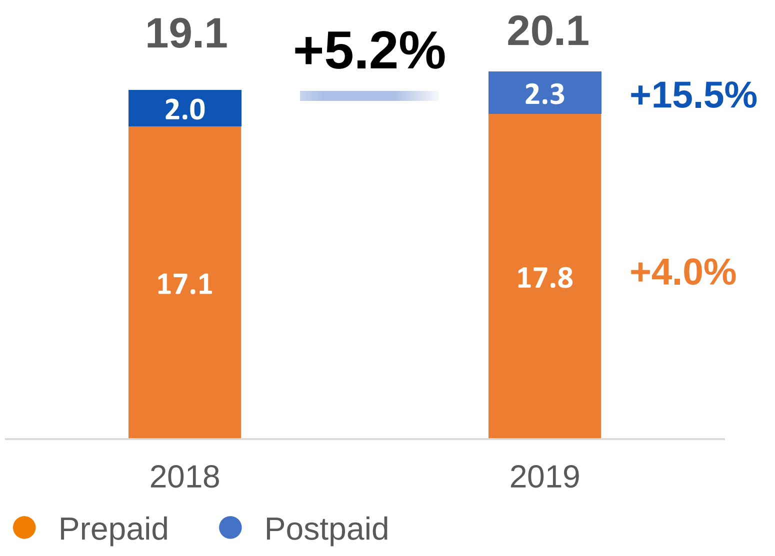
*Based on the price at February 14, 2020 (145 MAD)

02

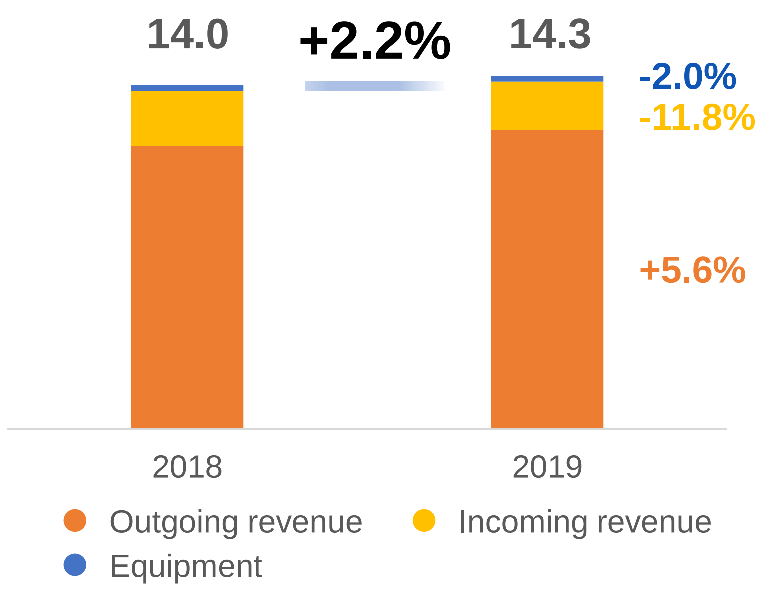
REVIEW OF OPERATIONS

MOROCCO / MOBILE

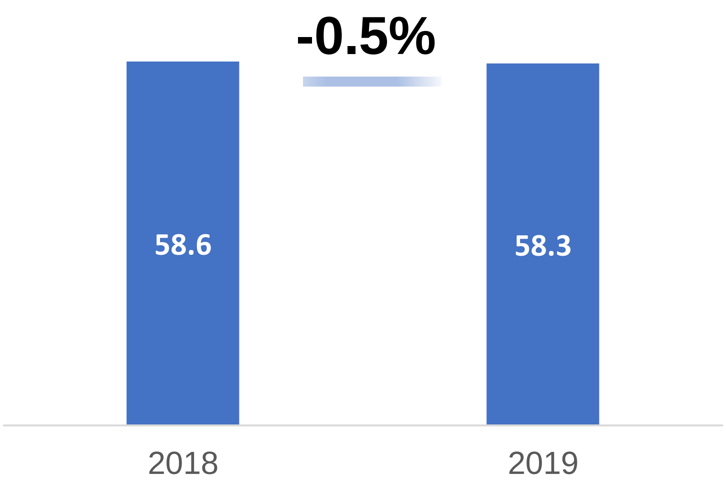
Mobile customer base (million)



Mobile revenue (MAD billion)



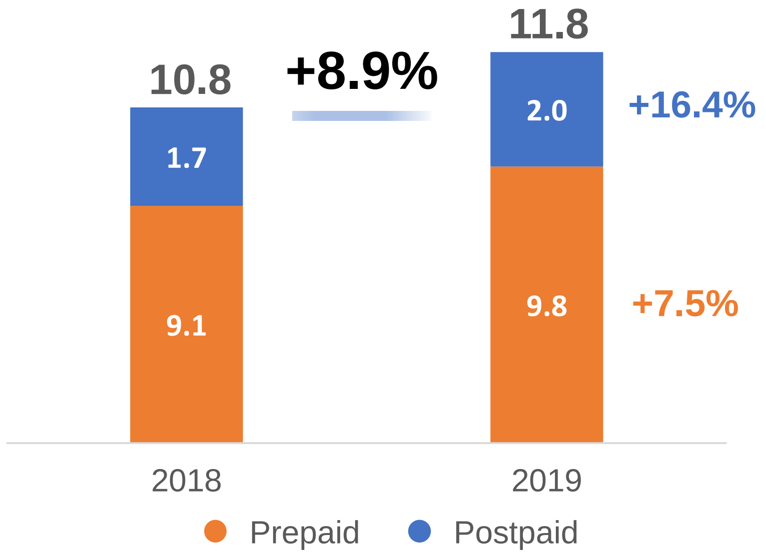
ARPU (MAD/month)



Growth in outgoing revenue driven by Data
Decrease in incoming revenue due to declining traffic

MOROCCO / MOBILE INTERNET: continued growth

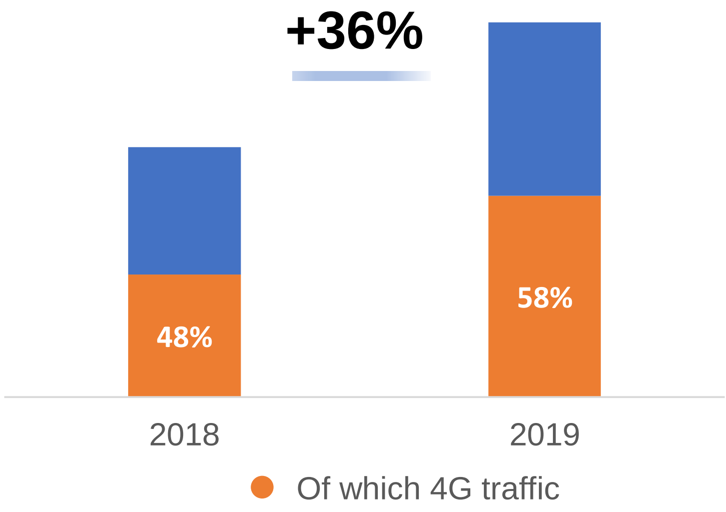
Mobile Internet base (million)



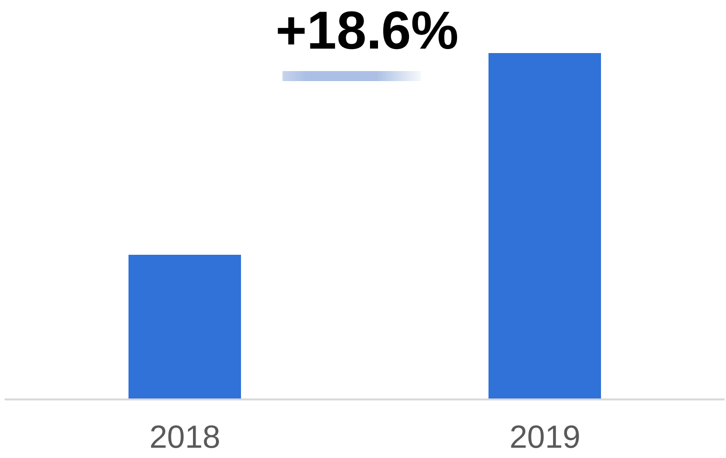
Penetration rate[1]

2018	2019
57%	59%

Data traffic



Data revenue



Continued growth of Mobile Internet

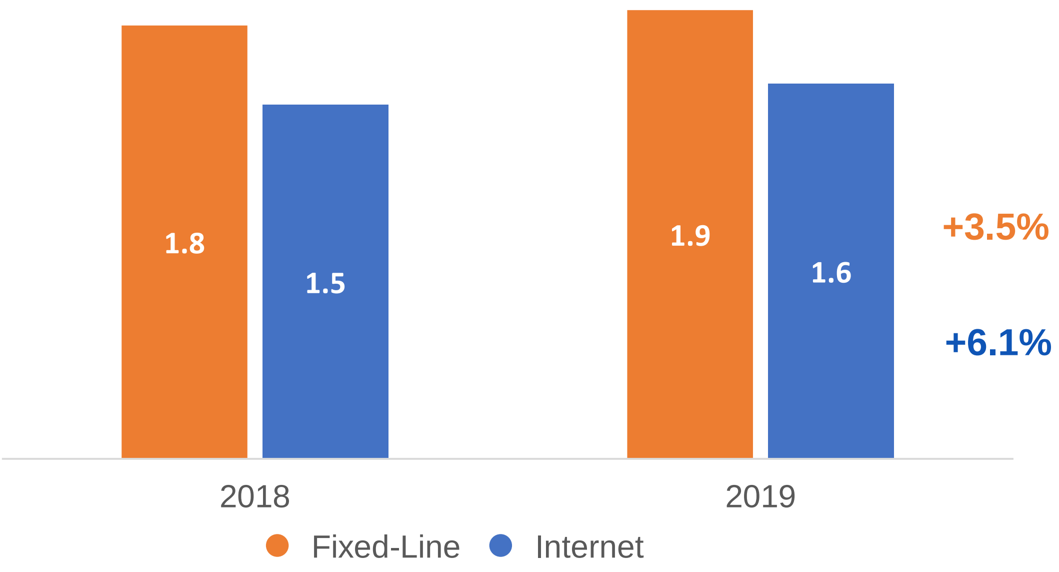
Customers continue to acquire 4G smartphones, which **represent 49% of the overall active customer base**

Maroc Telecom is the Mobile Internet market leader, with a 50%[2] market share as at end of September 2019

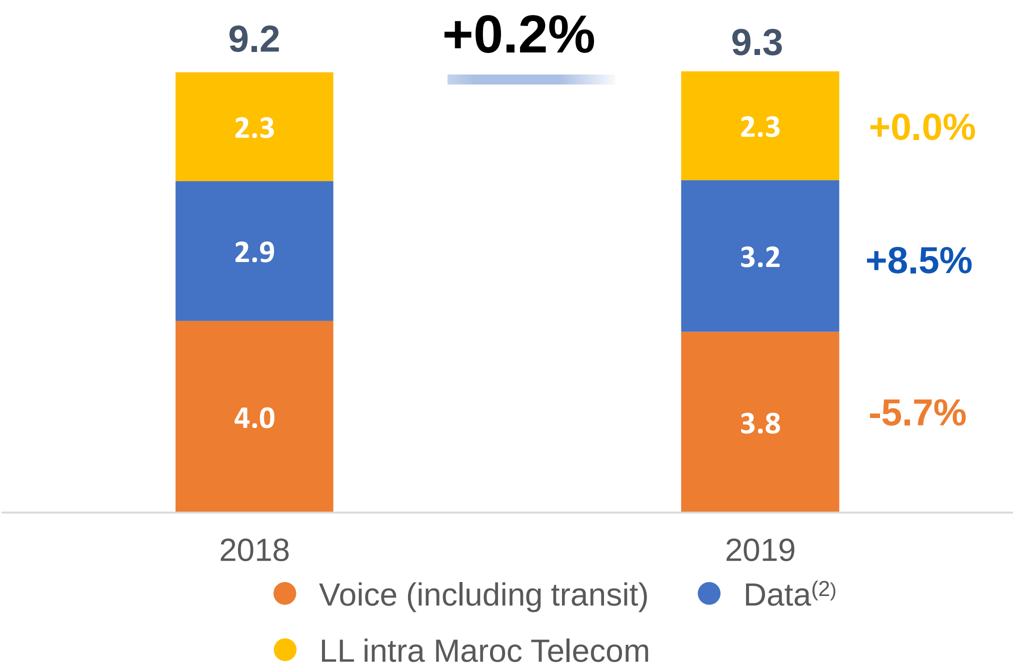
[1] Calculated on the Maroc Telecom Mobile customer base
[2] ANRT Q3 2019

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

Fixed-Line & Internet customer base[1] (million)



Fixed-Line and Internet revenue (MAD billion)



Resumed growth in Fixed-Line revenue driven by Data

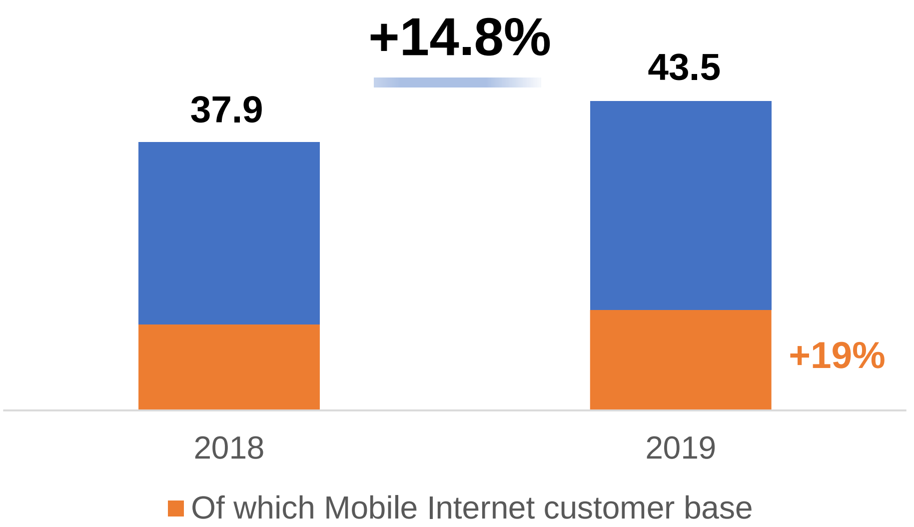
FTTH customer base growing rapidly

(1) Including low speed, leased lines and FTTH

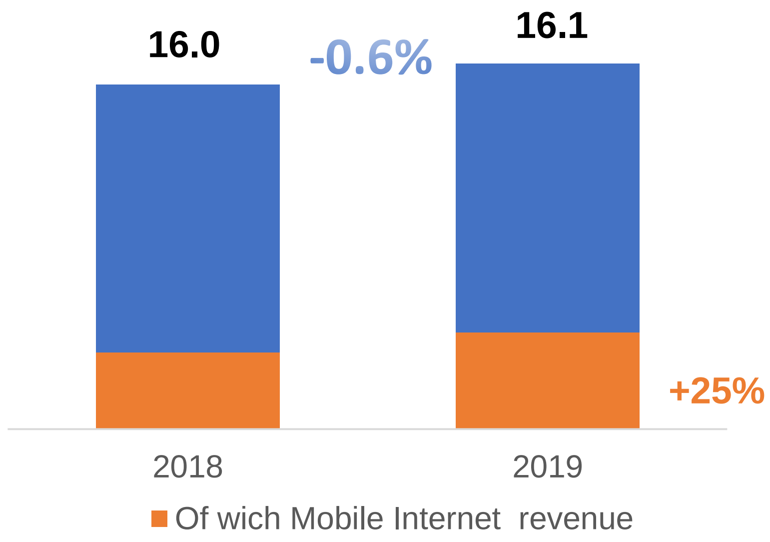
(2) Fixed-Line Data includes Internet, ADSL TV and corporate Data services

INTERNATIONAL / Revenue boosted by Data

Mobile customer base (million)



Revenue[1] (MAD billion)



Sustained growth in Mobile customer base (+15%) due to the integration of Tigo Chad

25% growth in Mobile Data and 36% in Mobile Money, which offsets the decrease in call termination rates and international incoming

Restated for the impact of the decline in call termination rates, **revenue from International operations have risen 1.2%**[1]

[1] On a like-for-like basis. The like-for-like basis illustrates the impact of the Tigo Chad consolidation as if it had taken place on July 1, 2018 and assumes a constant exchange rate

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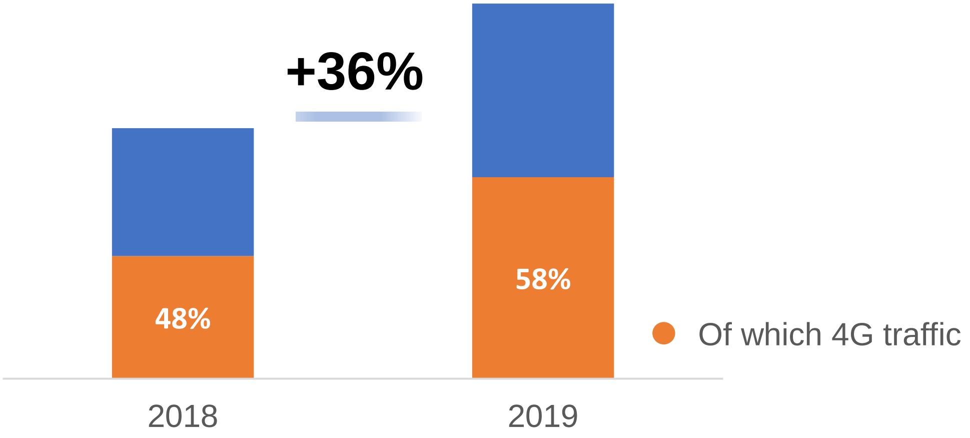
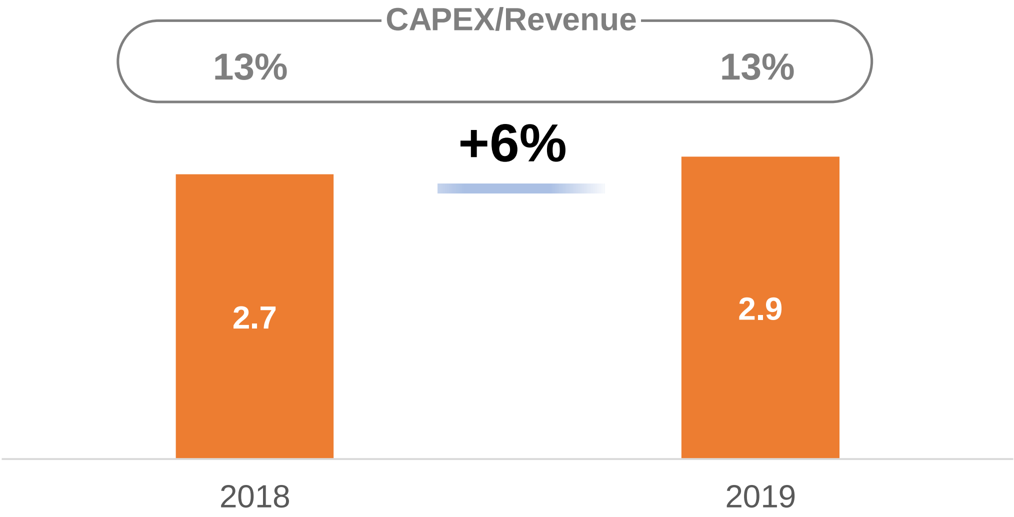
MOROCCO / Investments

Change in Mobile Data traffic



CAPEX[1] (MAD billions)



36% growth in Mobile Data traffic driven by 4G traffic

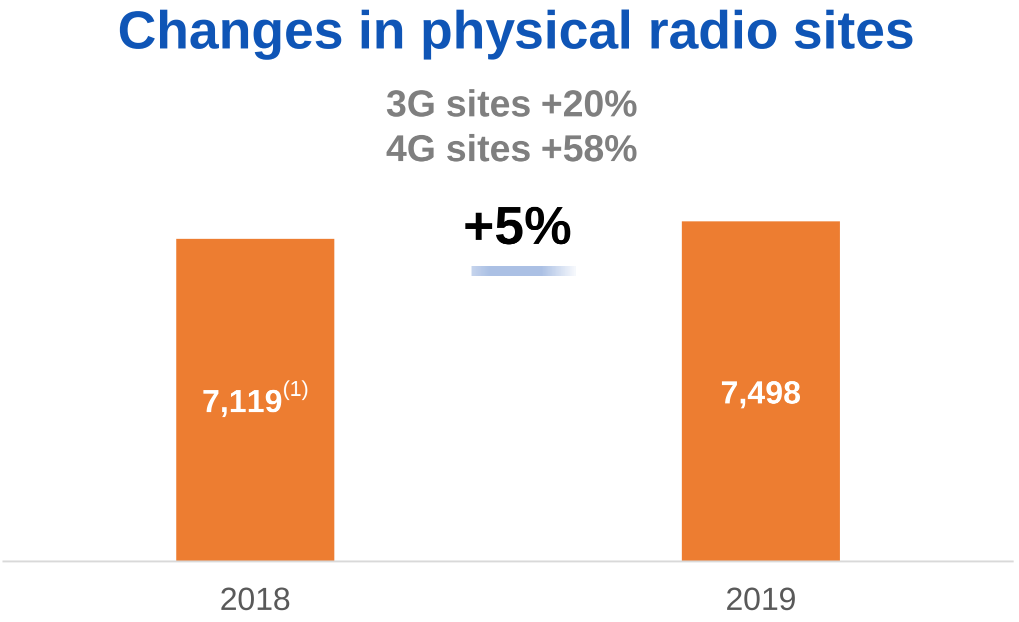
This growth was supported by the installation of 4G extensions that improved speeds and coverage

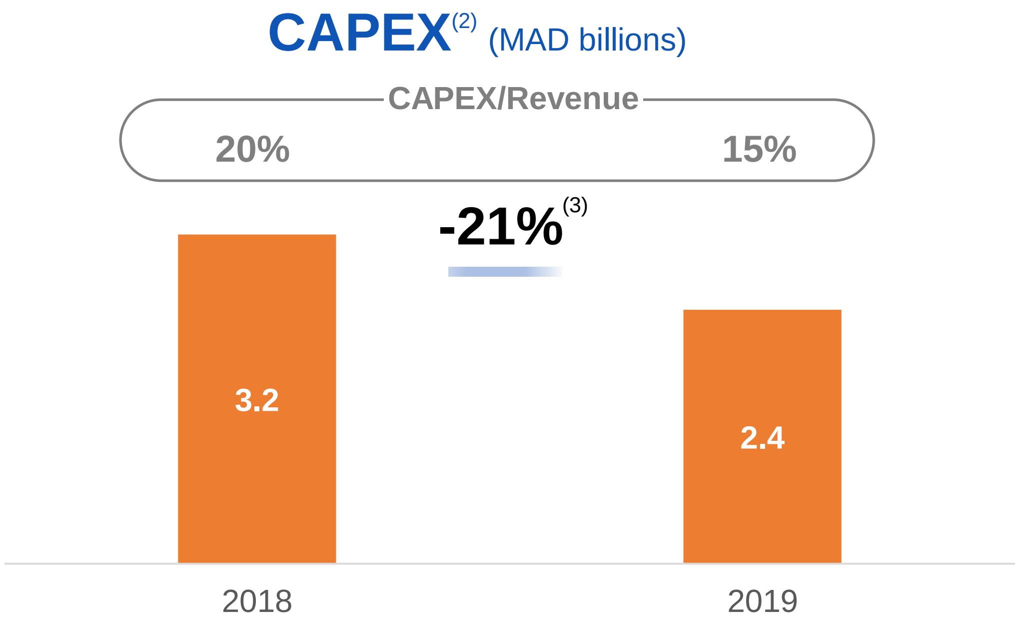
At the end of 2019, 99% of the population was covered by 3G and 4G

The CAPEX level was maintained at 13% of revenue with investments oriented toward increasing the capacities of Data-managing infrastructures

[1] Excluding frequencies and licenses

INTERNATIONAL / Investments





Continued extension of Mobile coverage oriented toward the expansion of Data with a 20% growth in sites equipped with 3G and 58% growth in sites equipped with 4G

4G was launched in Burkina Faso

Investments have been optimized through targeting of deployments and Group synergies

(1) Restated following the integration of Tigo Chad
(2) Excluding frequencies and licenses
(3) Maintaining a constant exchange rate and integrating Tigo Chad

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03

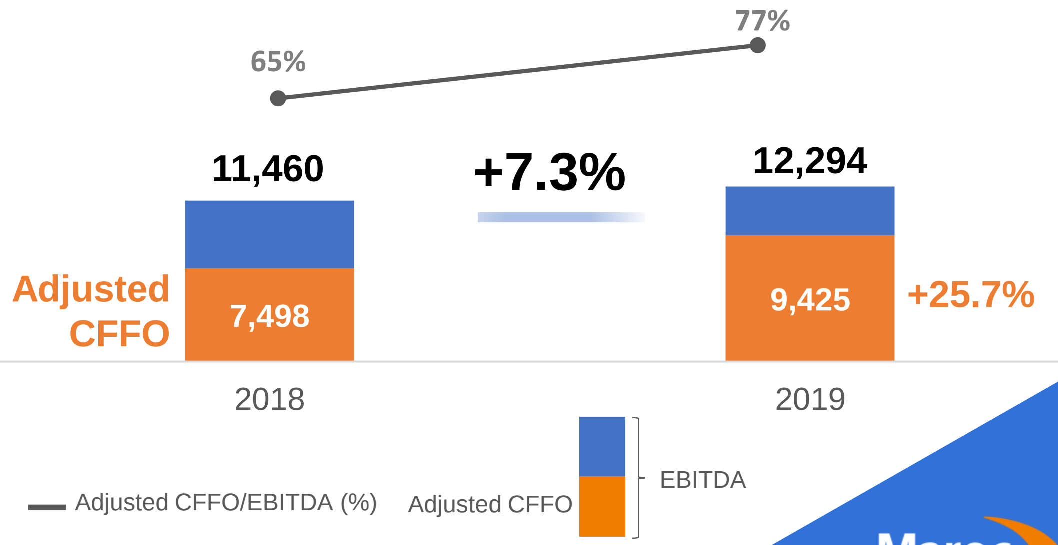
FINANCIAL REVIEW

MOROCCO

MAD million	2018	2019	Change	Change on a like-for-like basis[1]
Revenue	21,414	21,690	+1.3%	+1.3%
EBITDA	11,460	12,294	+7.3%	+5.3%
Margin (%)	*53.5%*	*56.7%*	*+3.2 pt*	*+2.1 pt*
Adjusted EBITA[2]	7,620	8,294	+8.8%	+8.5%
Margin (%)	*35.6%*	*38.2%*	*+2.7 pt*	*+2.5 pt*
CAPEX	2,749	3,022	+9.9%	
o/w licenses & frequencies		102		
CAPEX/revenue (excluding frequencies & licenses)	*12.8%*	*13.5%*	*+0.6 pt*	
Adjusted CFFO[2]	7,498	9,425	+25.7%	+22.7%
% EBITDA	*65.4%*	*76.7%*	*+11.2 pt*	*+10.8 pt*
Net Debt	10,422	11,101	+6.5%	-2.1%
Net Debt/EBITDA	0.9x	0.8x		

Improvement to the already-high EBITDA margin (in %)

Strong cash generation (MAD million)

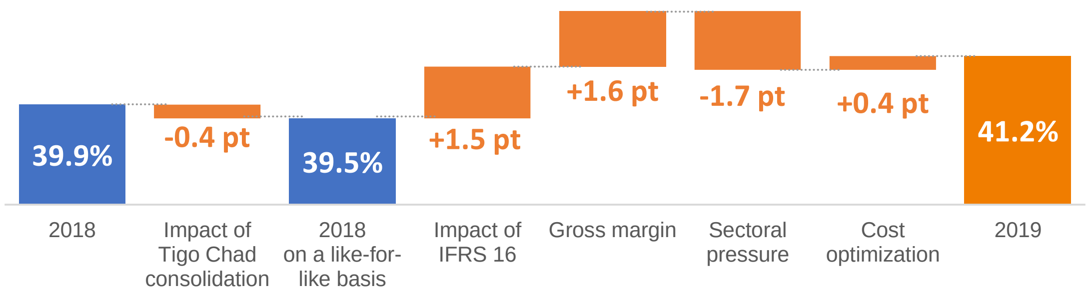


[1] On a like-for-like basis (a constant exchange rate and neutralization of the impact of the application of IFRS 16)
[2] Please refer to Appendix 2

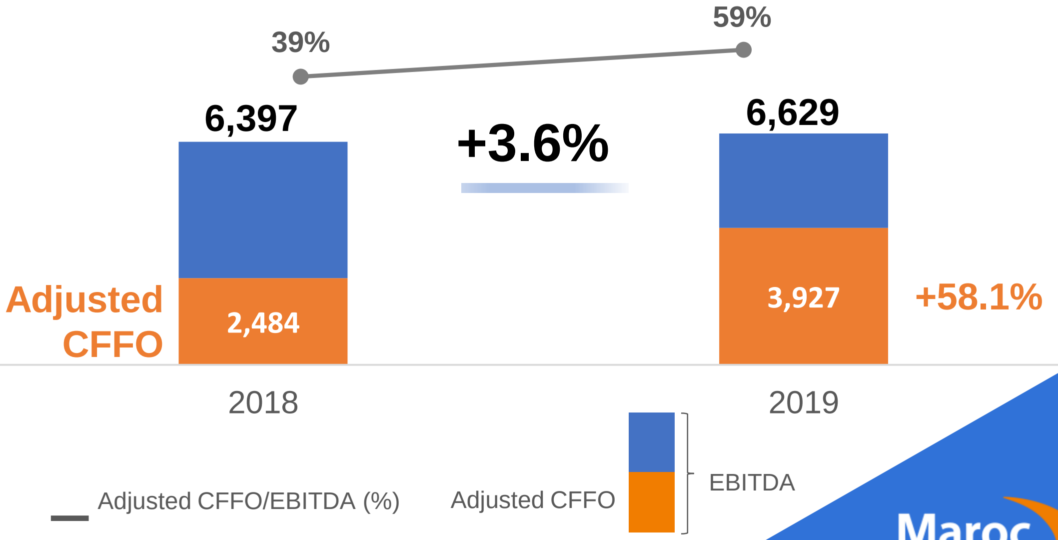
INTERNATIONAL

MAD million	2018	2019	Change	Change on a like-for-like basis[1]
Revenue	16,041	16,095	+0.3%	-0.6%
EBITDA	6,397	6,629	+3.6%	+0.0%
Margin (%)	*39.9%*	*41.2%*	*+1.3 pt*	*+0.2 pt*
Adjusted EBITA[2]	3,431	3,246	-5.4%	-5.0%
Margin (%)	*21.4%*	*20.2%*	*-1.2 pt*	*-0.9 pt*
CAPEX	3,894	3,766	-3.3%	-1.0%
o/w licenses & frequencies	719	1,316		
CAPEX/revenue (excluding frequencies & licenses)	*19.8%*	*15.2%*	*-4.6 pt*	*-3.9 pt*
Adjusted CFFO[2]	2,484	3,927	+58.1%	+47.3%
% EBITDA	*38.8%*	*59.2%*	*+20.4 pt*	*+18.5 pt*
Net Debt	6,514	8,748	+34.3%	+18.1%
Net Debt/EBITDA	1.0x	1.3x		

Improved high EBITDA margin despite more intense sector pressure (in %)



Solid cash generation (MAD million)

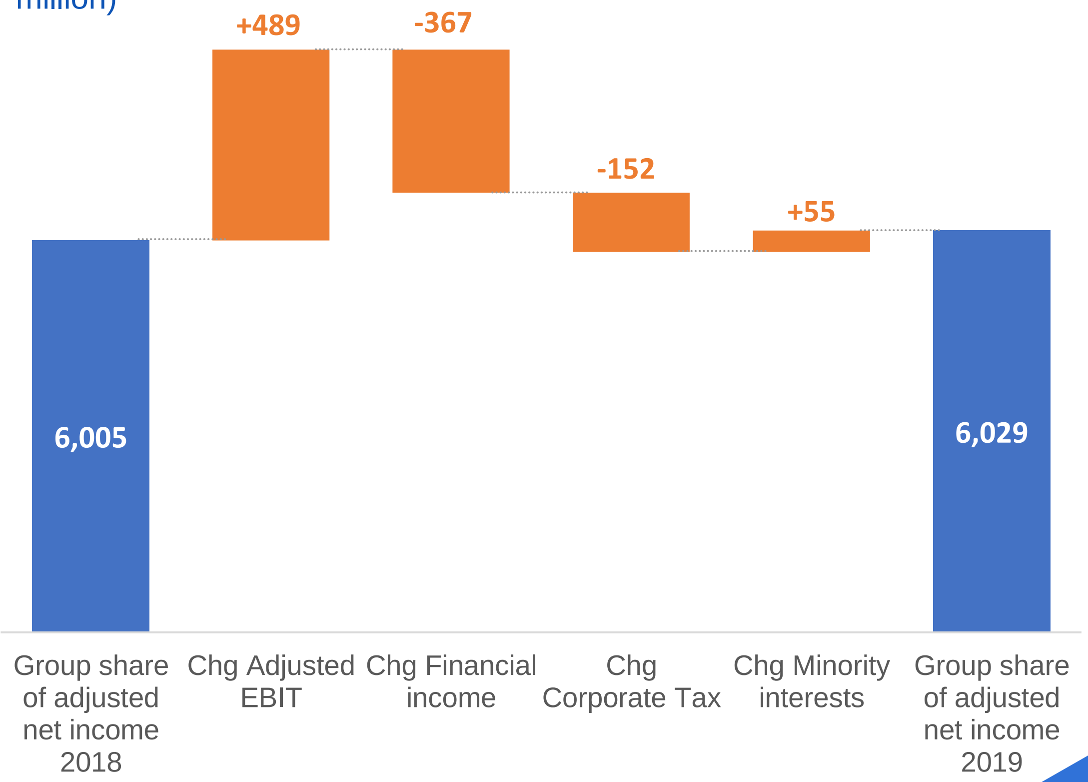


[1] On a like-for-like basis. The like-for-like basis illustrates the impact of the Tigo Chad consolidation as if it had taken place on July 1, 2018 and assumes a constant exchange rate and also the impact of the application of IFRS 16
[2] Please refer to Appendix 2

MAROC TELECOM GROUP / Consolidated net income

MAD million	2018	2019	Change	Change on a like-for-like basis[1]
Revenue	36,032	36,517	+1.3%	+0.9%
EBITDA	17,856	18,922	+6.0%	+3.4%
Margin (%)	*49.6%*	*51.8%*	*+2.3 pt*	*+1.2 pt*
Adjusted EBITA[2]	11,052	11,540	+4.4%	+4.3%
Margin (%)	*30.7%*	*31.6%*	*+0.9 pt*	*+1.0 pt*
Financial income	-425	-792	+86.3%	
Corporate Tax	-3,680	-3,832	+4.1%	
Minority interests	-931	-875	-5.9%	
Adjusted net income[2] Group share	6,005	6,029	+0.4%	+1.0%
Margin (%)	*16.7%*	*16.5%*	*-0.2 pt*	*+0.0 pt*

Adjusted Group share of net income (MAD million)

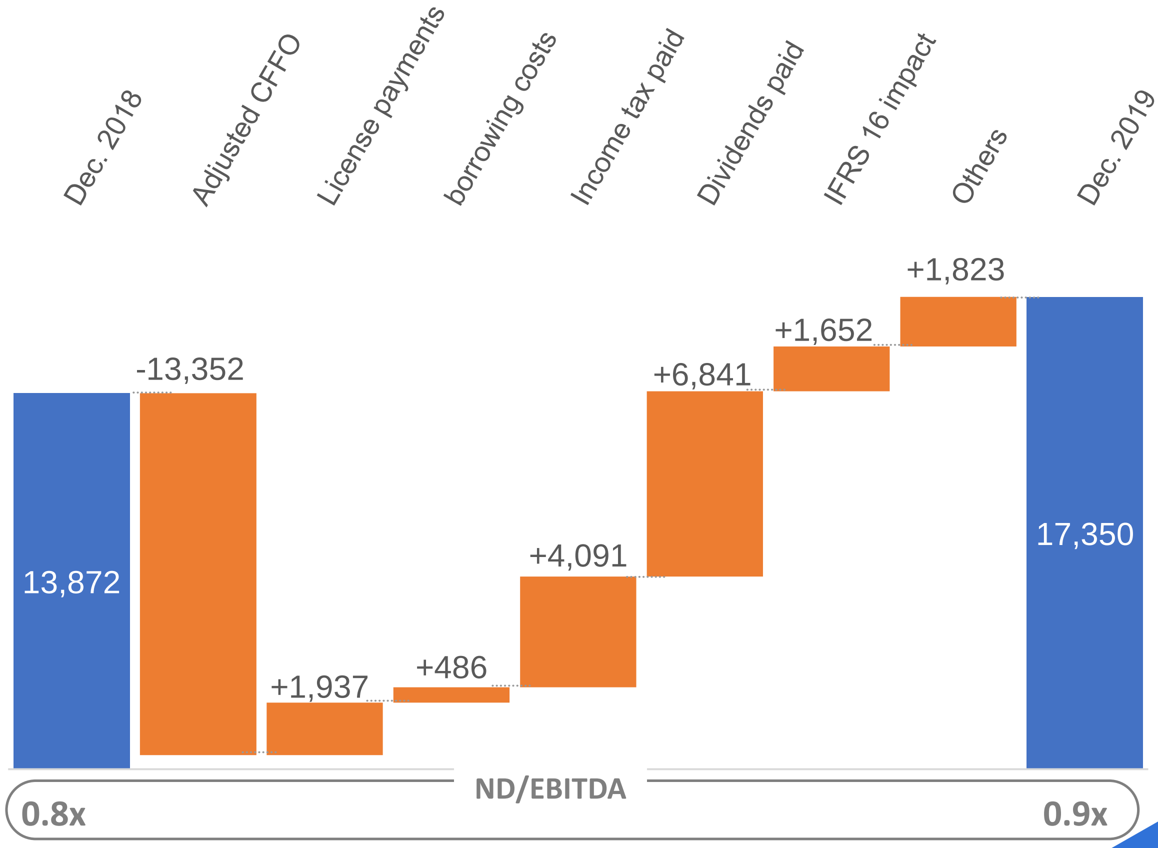


(1) On a like-for-like basis. The like-for-like basis illustrates the impact of the Tigo Chad consolidation as if it had taken place on July 1, 2018 and assumes a constant exchange rate and also the impact of the application of IFRS 16
(2) Please refer to Appendix 2

MAROC TELECOM GROUP / Consolidated Cash Flow

MAD million	2018	2019	Change	Change on a like-for-like basis[1]
EBITDA	17,856	18,922	+6.0%	+3.4%
CAPEX	6,643	6,788	+2.2%	+3.5%
o/w licenses & frequencies	719	1,418		
CAPEX/revenue (excluding frequencies & licenses)	*16.4%*	*14.7%*	*-1.7 pt*	*-1.7 pt*
Adjusted CFFO[2]	9,982	13,352	+33.8%	+29.0%
% EBITDA	*55.9%*	*70.6%*	*+14,7 pt*	*+13,9 pt*
Borrowing costs	-569	-486	-14.6%	
Income tax paid	-2,967	-4,091	+37.9%	
Adjusted CFAIT[2]	6,446	8,700	+35.0%	
% EBITDA	*36.1%*	*46.0%*	*9.9 pt*	
Net Debt	13,872	17,350	+25.1%	+11.2%
Net debt/EBITDA	*0.8x*	*0.9x*		

Net Debt (MAD million)



[1] On a like-for-like basis. The like-for-like basis illustrates the impact of the Tigo Chad consolidation as if it had taken place on July 1, 2018 and assumes a constant exchange rate and also the impact of the application of IFRS 16

[2] Please refer to Appendix 2

04 OUTLOOK

OUTLOOK FOR 2020

In Morocco

Continued sharp growth in Data usage

Impact of VoIP on incoming revenues

Competitive pressures on Mobile

Increased coverage of FTTH networks

In subsidiaries

Increased Data usage

Decrease in call termination rates with a favorable impact on margins

Regulatory and tax pressures

Continued investments resulting in wider coverage and improved service quality

Acquisition of new 4G licenses

GROUP OUTLOOK FOR 2020, AT CONSTANT SCOPE AND EXCHANGE RATES

Stable Revenue

Stable EBITDA

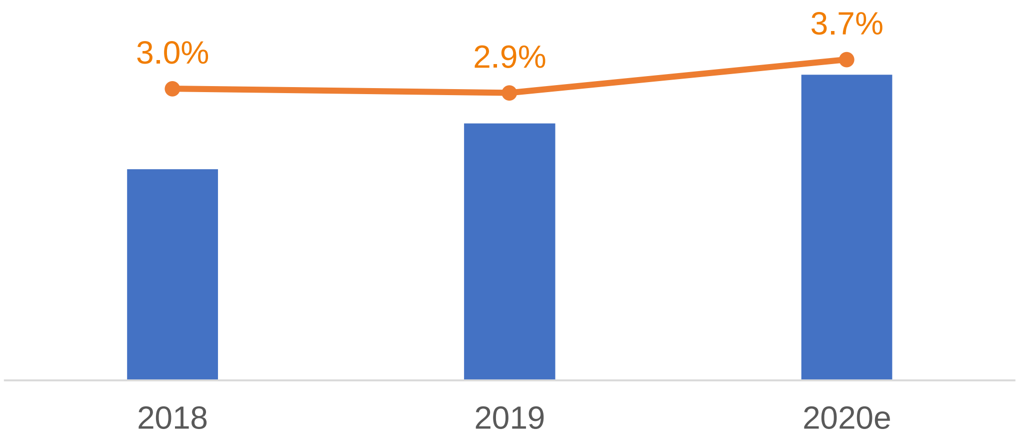
CAPEX of approximately 15% of revenue (excluding frequencies and licenses)

05

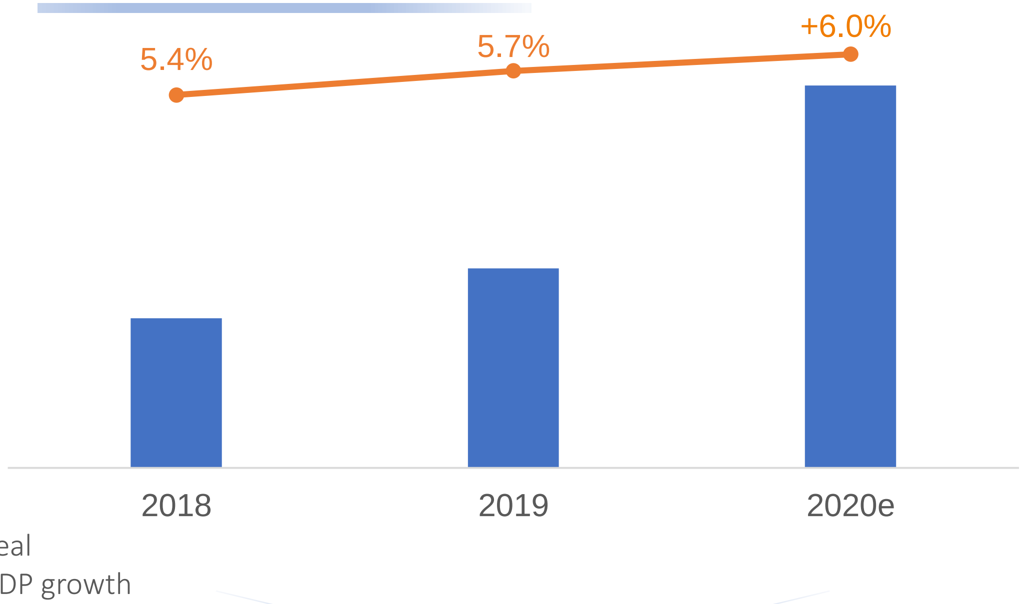
Appendices

Appendix 1 / Macroeconomic Environment

Morocco[1]



International[2]



Positive outlook for 2020

Growth in countries in which the Group operates is expected to improve in 2020
Inflation remains largely controlled

[1] Ministry of the Economy and Finance
[2] IMF data – October 2019

Appendix 2 / Relationship between adjusted financial indicators and published financial indicators

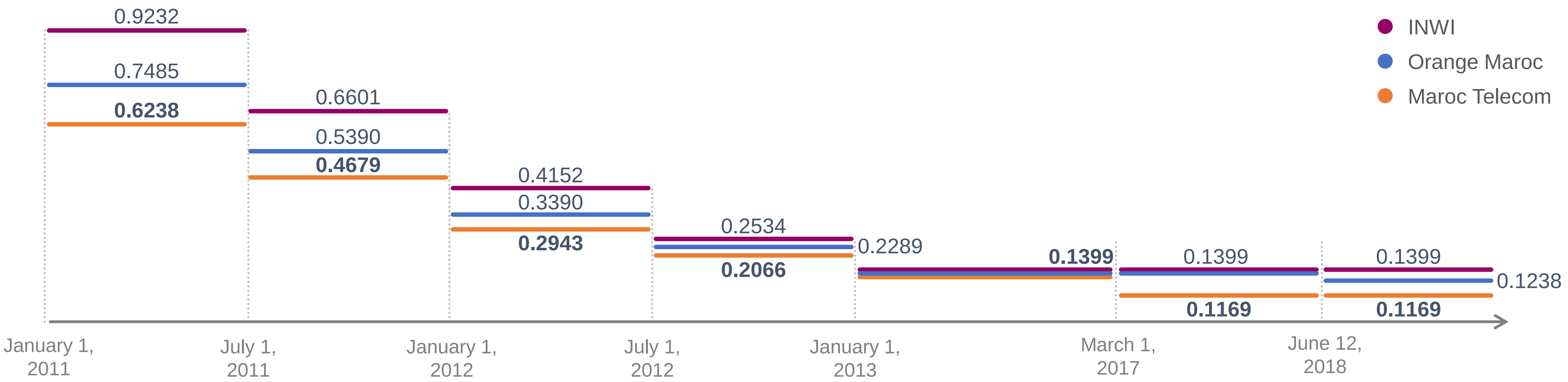
MAD millions	2018 Morocco	2018 International	2018 Group	2019 Morocco	2019 International	2019 Group
Adjusted EBITA Margin (%)	**7,620**	**3,431**	**11,052**	**8,294**	**3,246**	**11,540**
Restructuring costs	-2	+2	+0		-9	-9
ANRT decision				-3,300		-3,300
Published EBITA	**7,618**	**3,434**	**11,052**	**4,994**	**3,237**	**8,231**
Group share of adjusted Net Income			**6,005**			**6,029**
Restructuring costs after tax			+5			-4
ANRT decision						-3,300
Published Net Income – Group share			**6,010**			**2,726**
Adjusted CFFO	**7,498**	**2,484**	**9,982**	**9,425**	**3,927**	**13,352**
Restructuring costs	-2	-9	-11			
License payments		-524	-524	-102	-1,835	-1,937
Published CFFO	**7,496**	**1,951**	**9,447**	**9,324**	**2,091**	**11,415**

Appendix 3 / Impact of the adoption of IFRS 16

	2019		
(in MAD million)	Morocco	International	Group
EBITDA	+228	+234	+462
Adjusted EBITA	+24	+27	+51
Group share of adjusted Net Income			-16
Adjusted CFFO	+228	+234	+462
Net Debt	+902	+750	+1,652

Appendix 4 / Regulatory environment in Morocco

Call termination rate (MAD billions)



Between 2011 and 2013, Mobile call termination rates were a linear average of the peak and off-peak rates

Appendix 5 / 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 of holding		52%	61%	51%	51%	85%	100%	95%	100%	100%	100%
Population (millions)	35.6	4.1	20.3	2.1	19.1	26.3	11.8	8.2	23.3	5.2	12.8
GDP ($ billions)	119	5.6	14.6	16.9	17.6	44.4	14.4	5.5	9.4	2.3	11.0
Mobile penetration	133%	98%	95%	152%	103%	142%	81%	82%	49%	27%	45%
Mobile market share (customer base)	43%	63%	42%	53%	35%	25%	45%	51%*	26%	11%	49%
Competitive position	1/3	1/3	2/3	1/2	2/3	3/3	2/2	1/2	2/4	3/4	2/2
2G/3G technology	●	●	●	●	●	●	●	●	●	●	●
4G technology	●		●	●	●	●	●	●			●

Source: Dataxis – Q3 2019, IMF – October 2019 and ANRT – Q3 2019

* Moov carried out a fleet clean-up operation in November, bringing its market share to 51%

Important legal notices

Forward-looking statements

This presentation contains forward-looking statements regarding Maroc Telecom's financial position, income from operations, strategy and outlook, as well as the impact 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, due to a number of risks and uncertainties, both known and unknown. The majority of these risks are beyond our control, namely the risks described in the public documents filed by Maroc Telecom with the Moroccan Capital Markets Authority (www.ammc.ma) and the French Financial Markets Authority (www.amf-france.org), which are also available in French on our website (www.iam.ma). This presentation contains forward-looking information that can only be assessed at its publication date. 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.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