

ANNUAL RESULTS 2020



PRESENTATION TO ANALYSTS
19 FEBRUARY 2021

/ HIGHLIGHTS



2020 HIGHLIGHTS

SLIGHT DECREASE IN CONSOLIDATED REVENUES

-0.8%⁽¹⁾

EFFECTIVE MANAGEMENT OF THE HEALTH CRISIS

**Employees and customers
safety and business continuity**

GROWTH IN ADJUSTED EBITDA MARGIN FOR THE GROUP⁽²⁾

+0.7 pt⁽¹⁾

SUSTAINED GROWTH OF FIXED DATA IN MOROCCO

+13.2%

GROWTH IN REVENUES OF MOOV AFRICA SUBSIDIARIES

+1.4%⁽¹⁾

⁽¹⁾ On a like-for-like basis. It illustrates the consolidation effects of Moov Africa Chad as if it had actually occurred on 1 January 2019 and the use of a constant exchange rate ⁽²⁾ The adjustments are detailed in Appendix 3

➤ In Morocco

Notification of the General Guidelines for Telecommunications until 2023;

—

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

—

The terms of the ANRT decision concerning the referral to Wana on unbundling related to a financial penalty and injunctions are respected in accordance with the time limits;

—

Withdrawal by Wana of the judicial application on unbundling filed with the Commercial Court of Rabat;

—

Adoption of regulatory decisions on portability and of the basis for calculating contributions to the general missions of the State.

➤ In the Moov Africa subsidiaries

Awarding of 4G licences to the three Mauritanian operators, including Mauritel, for a period of 10 years;

—

Decrease in Mobile call termination in Mauritania, Gabon, Mali, Togo and Chad;

—

Strengthening of customer identification obligations and continuous pressure from regulators on service quality and coverage obligations;

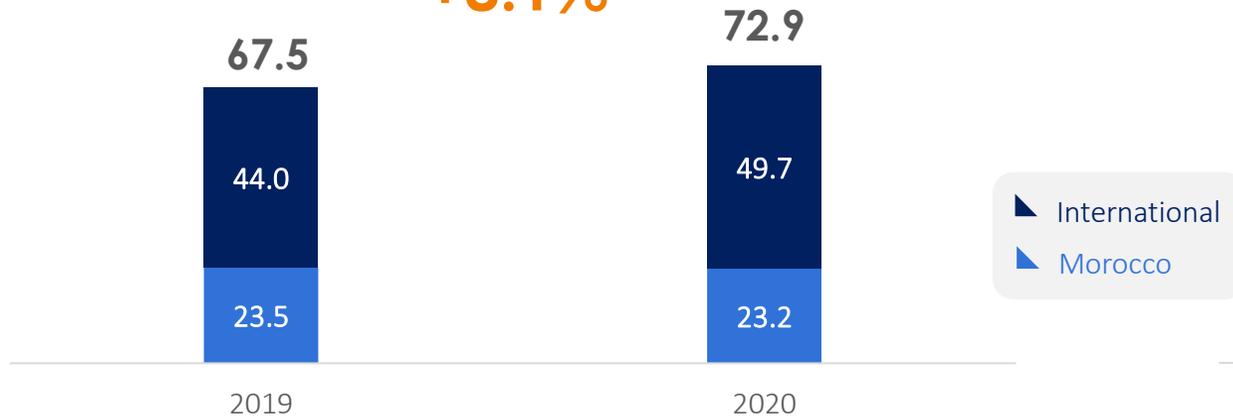
—

Maintaining high levels of sector contributions, particularly in Chad, Benin, Niger, Burkina Faso and Gabon.

Growth of the customer base

(millions)

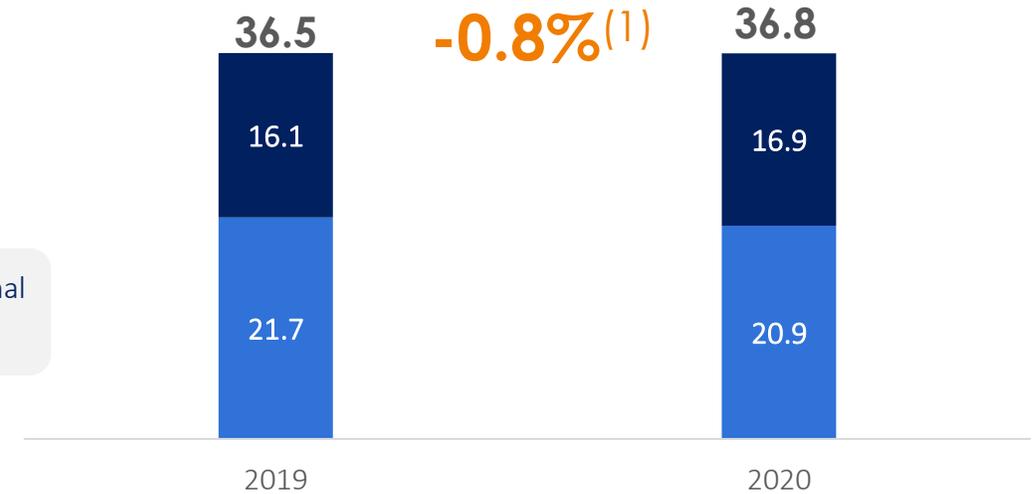
+8.1%



Slight decrease in consolidated revenues

(MAD bn)

-0.8%⁽¹⁾



Nearly **73 million** customers in the Group **(+8%)** thanks to an increase in the customer base of Moov Africa subsidiaries

Slight decrease in consolidated revenues due to the health crisis, partly offset by **the good momentum of activities in the Moov Africa subsidiaries**

⁽¹⁾ On a like-for-like basis. It illustrates the consolidation effects of Moov Africa Chad as if it had actually occurred on 1 January 2019 and the use of a constant exchange rate

2020 RESULTS

IN LINE WITH THE OBJECTIVES ANNOUNCED

Revised outlook in 2020 ⁽¹⁾

2020 achievements⁽¹⁾

SLIGHT DECREASE IN
REVENUES



-0.8%

SLIGHT DECREASE IN
EBITDA



+0.5%

CAPEX⁽²⁾ OF
APPROXIMATELY 10%
OF REVENUES



9.0%

⁽¹⁾ At constant scope and exchange rates ⁽²⁾ Excluding frequencies & licences

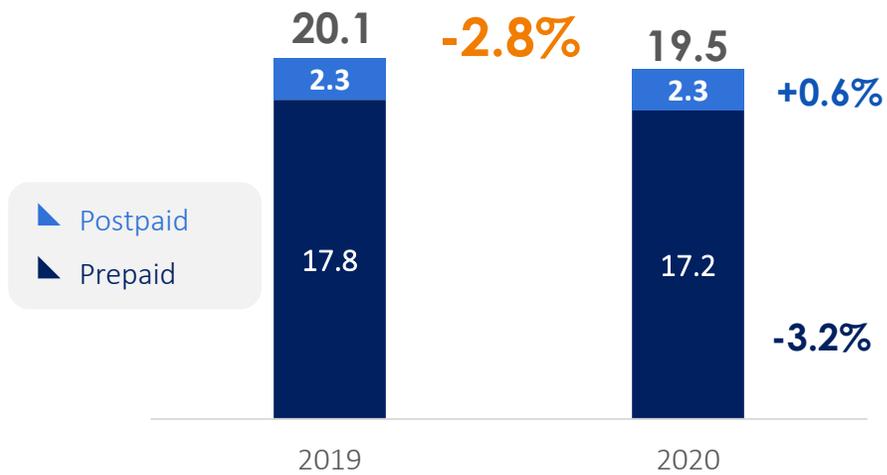
**PROPOSED DIVIDEND OF
MAD 4.01 /share**

**REPRESENTING
A YIELD OF 2.8%***

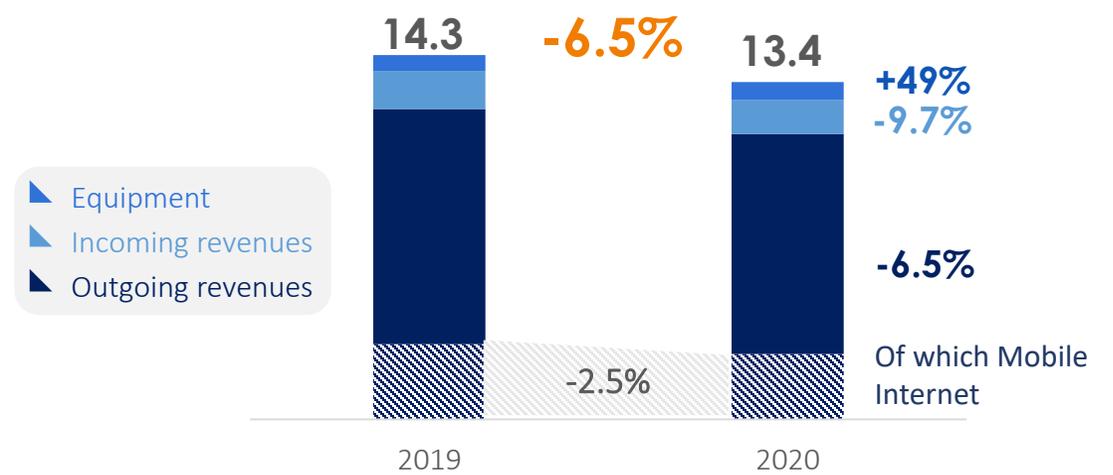
BUSINESS REVIEW



Mobile customer base (millions)



Mobile revenues (MAD bn)



Decrease in the Mobile customer base impacted by the health crisis and competitive environment

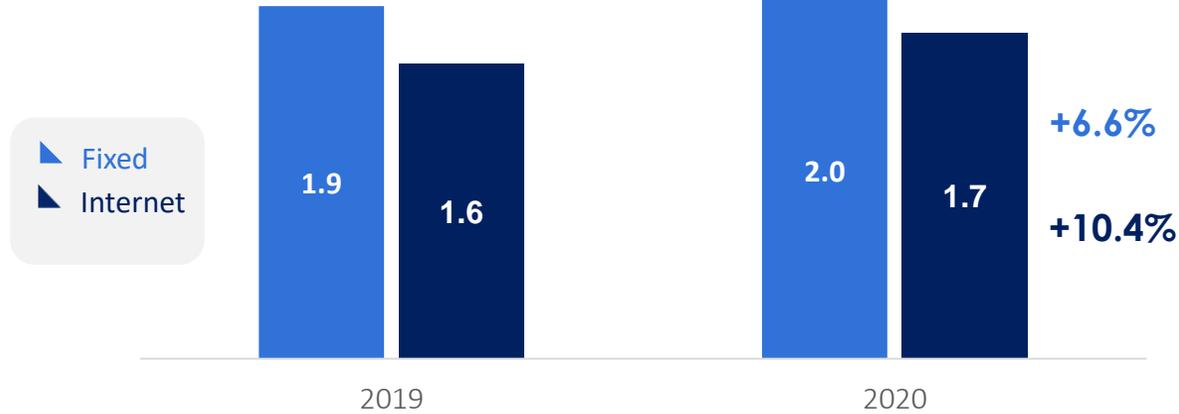
6.9% decrease in ARPU to MAD 54.3/month

In December 2020, **decrease in national termination rates with maintenance of asymmetry**
(-35% for Maroc Telecom, -25% for Orange and -22% for Inwi)

MOROCCO / FIXED AND INTERNET

Fixed & Internet customer base ⁽¹⁾

(millions)

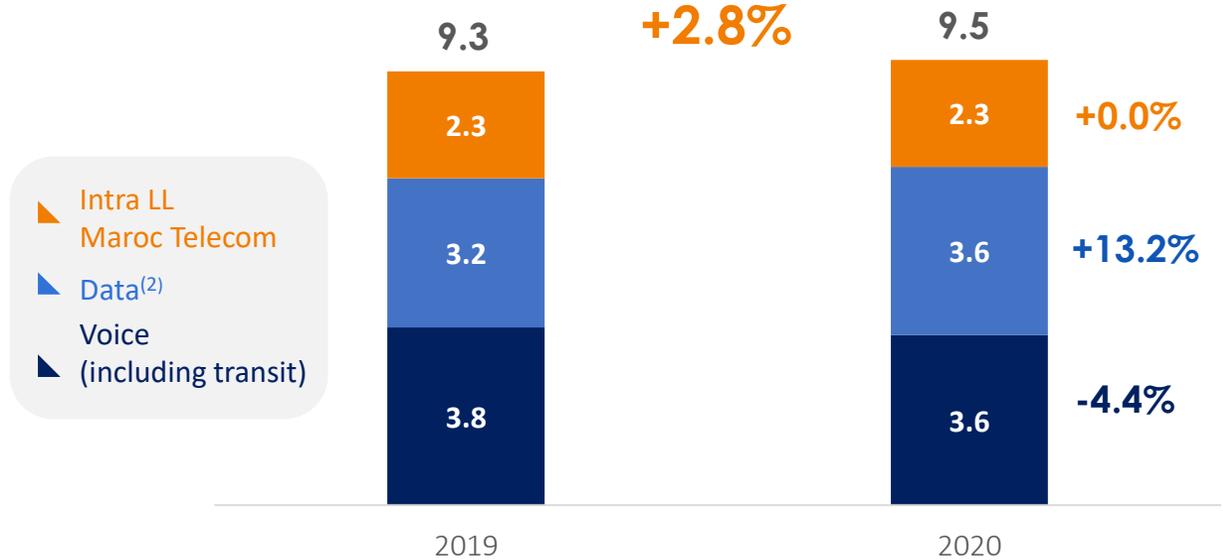


Growth in Fixed revenues driven by Data

Sharp increase in Optic Fiber line installations (+40% of FTTH customer base) **and ADSL customer base** (+8.5%)

Fixed and Internet revenues

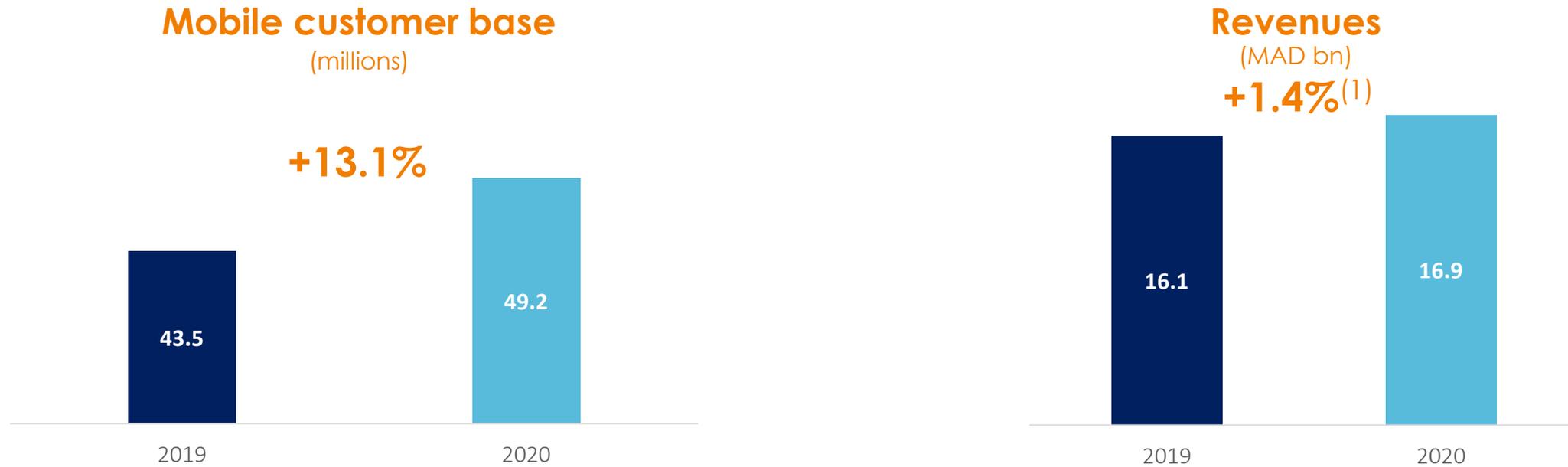
(MAD bn)



Growth in Fixed Data revenues

(%)





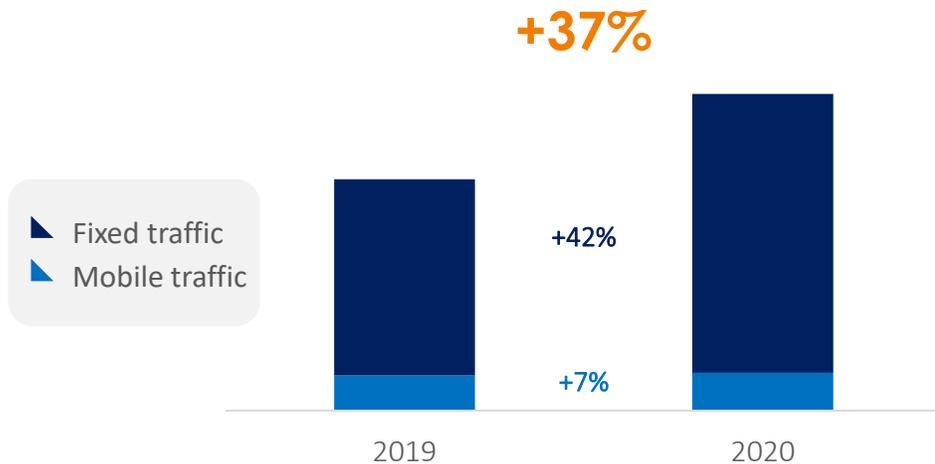
Strong increase in Mobile customer base (+13%)

Recovery of the commercial activity following the easing of restrictions taken in the context of the health crisis
Sustained growth in Data Mobile (+23%⁽¹⁾) and Mobile Money (+19%⁽¹⁾) which offset the fall in international incoming

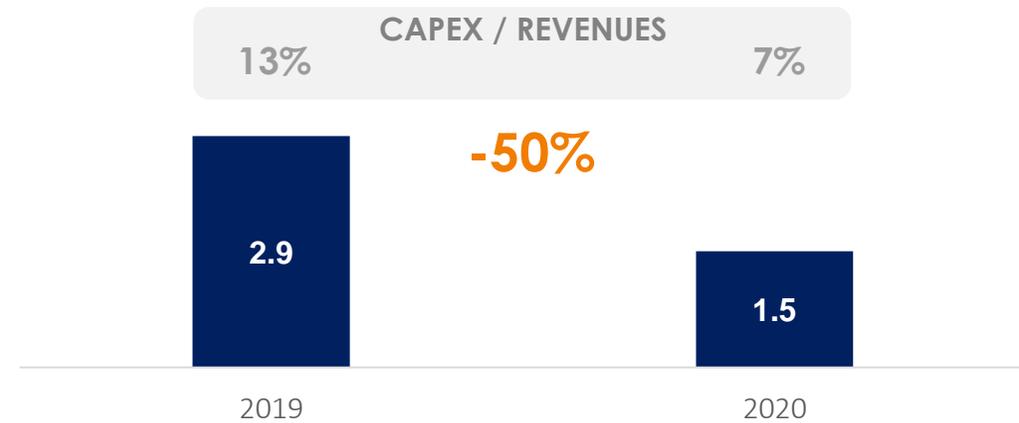
⁽¹⁾ On a like-for-like basis. It illustrates the consolidation effects of Moov Africa Chad as if it had actually occurred on 1 January 2019 and the use of a constant exchange rate

MOROCCO / INVESTMENTS

Change in Data traffic



Capex⁽¹⁾ (MAD bn)



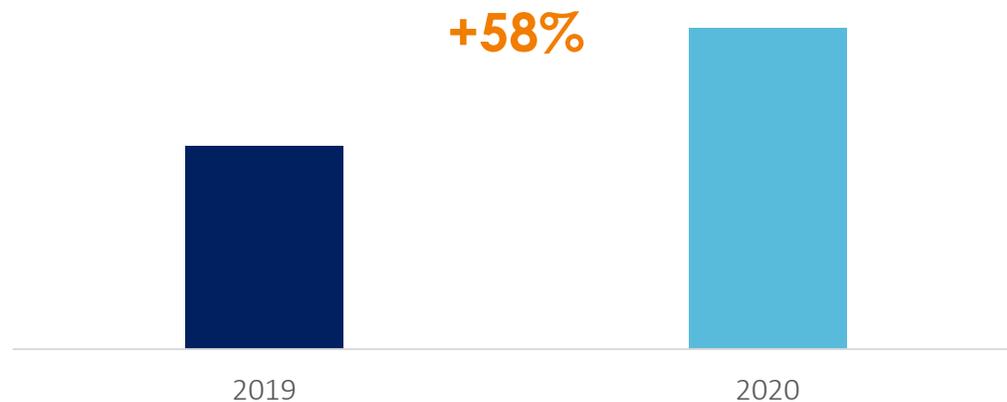
Data traffic growth of 37% reflecting the impacts of the health crisis on usage.

Fixed Data traffic, up 42% year-on-year, was boosted by strong demand for FTTH and ADSL from March 2020, while Mobile Data traffic experienced a slowdown in growth.

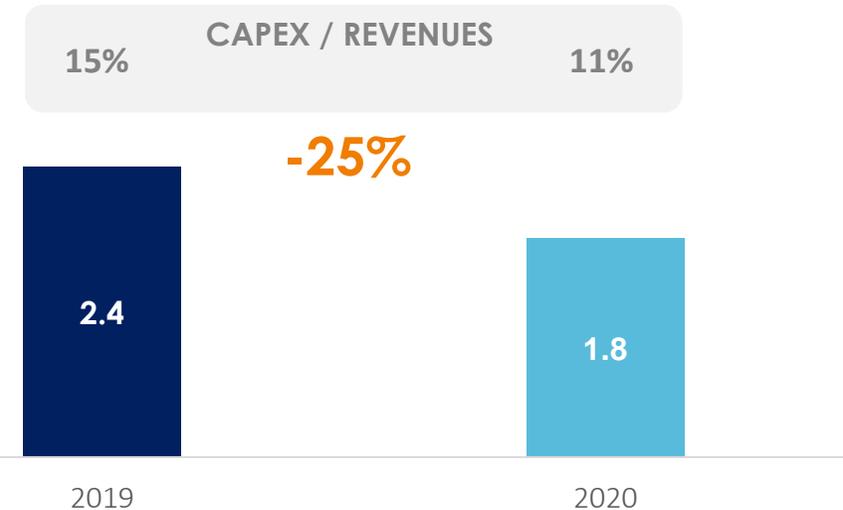
Investments were directed towards meeting demand for FTTH and ADSL access, extensions of the Data infrastructures, and quality of service.

⁽¹⁾ Excluding frequencies and licences

Change in Data Mobile traffic



Capex⁽¹⁾ (MAD bn)



2020 investments focused on the development of Data.

Mobile Data traffic in the subsidiaries increased by 58% thanks to a significant programme of extensions to the 3G and 4G networks.

After Gabon and Mali, launch of FTTH services in Burkina Faso, Côte d'Ivoire and Chad.

⁽¹⁾ Excluding frequencies and licences

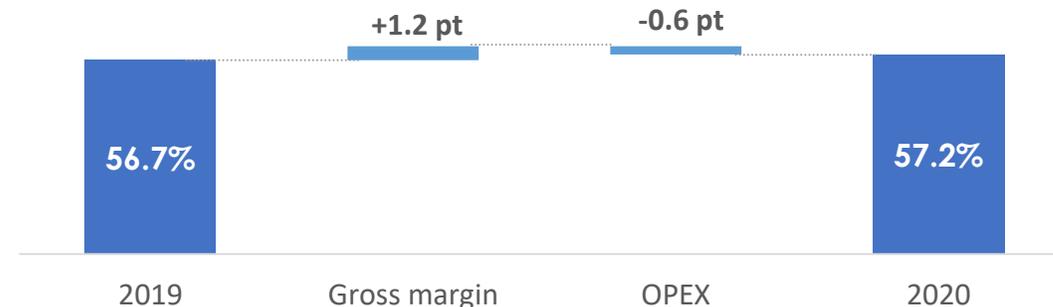
FINANCIAL REVIEW



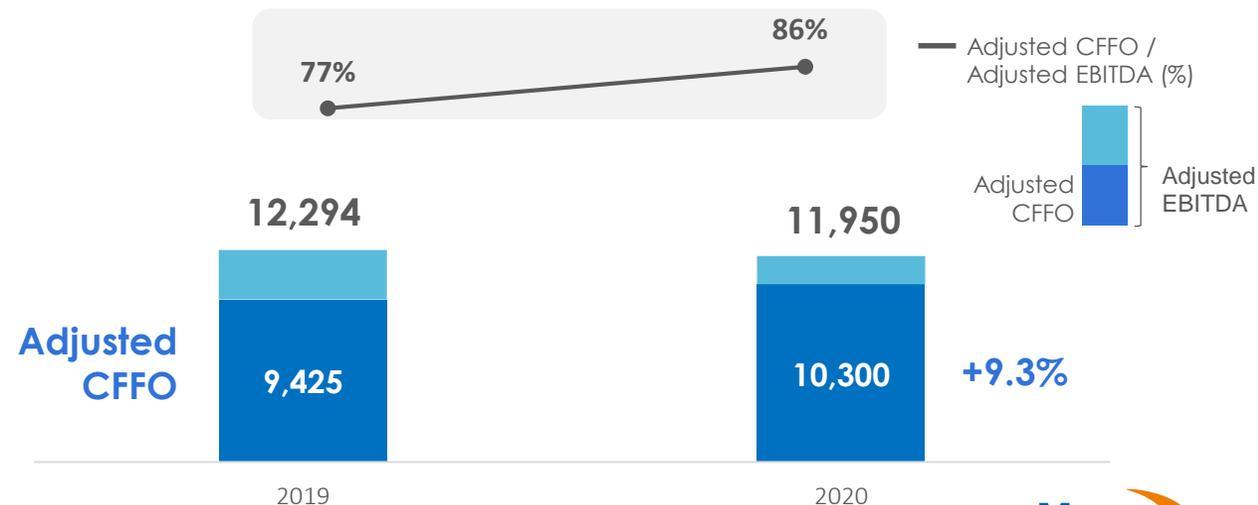
MOROCCO / MAINTAINING HIGH MARGINS

MAD millions	2019	2020	Change
Revenues	21,690	20,881	-3.7%
Adjusted EBITDA ⁽¹⁾	12,294	11,950	-2.8%
Margin (%)	56.7%	57.2%	+0.5 pt
Adjusted EBITA ⁽¹⁾	8,294	8,079	-2.6%
Margin (%)	38.2%	38.7%	+0.5 pt
CAPEX	3,022	1,466	-51.5%
Of which licences and frequencies	102	0	
CAPEX / Revenues (excluding licences and frequencies)	13.5%	7.0%	-6.4pt
Adjusted CFO ⁽¹⁾	9,425	10,300	+9.3%
% Adjusted EBITDA ⁽¹⁾	76.7%	86.2%	+9.5 pt
Net debt	11,101	11,515	+3.7%
Net debt/EBITDA ⁽²⁾	0.8x	0.9x	

Improvement in adjusted EBITDA margin (in %)



Good cash generation (MAD millions)

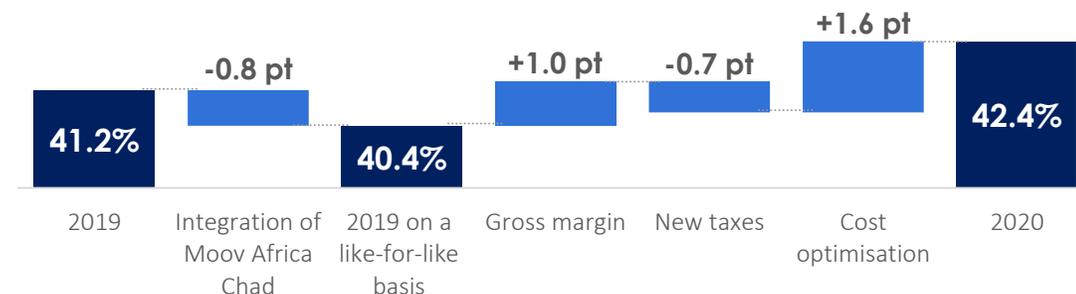


⁽¹⁾ Refer to Appendix 3 ⁽²⁾ Excluding the impact of IFRS 16

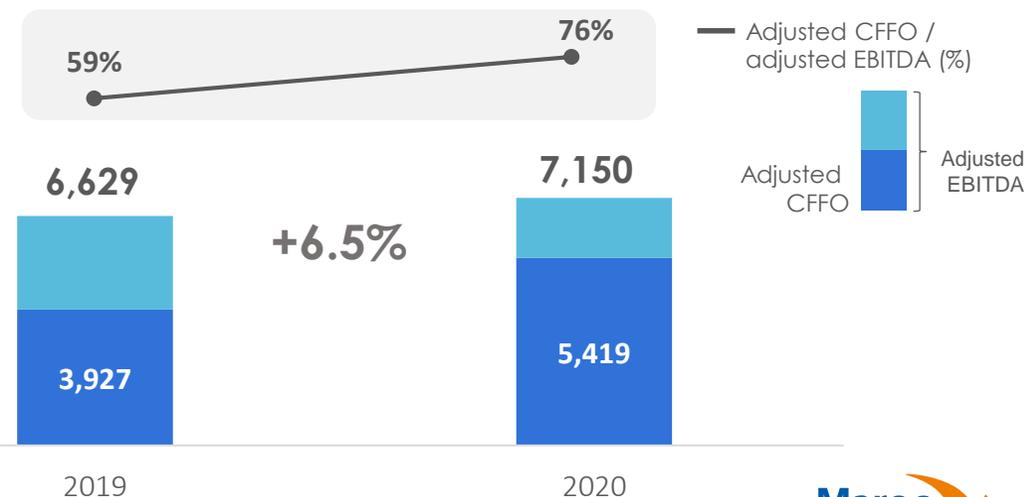
INTERNATIONAL / GOOD OVERALL PERFORMANCES

MAD millions	2019	2020	Change	Like-for-like change ⁽¹⁾
Revenues	16,095	16,883	+4.9%	+1.4%
Adjusted EBITDA ⁽²⁾	6,629	7,150	+7.9%	+6.5%
Margin (%)	41.2%	42.4%	+1.2 pt	+2.0 pt
Adjusted EBITA ⁽²⁾	3,246	3,520	+8.4%	+9.6%
Margin (%)	20.2%	20.8%	+0.7pt	+1.6 pt
CAPEX	3,766	1,982	-47.4%	-50.0%
Of which licences and frequencies	1,316	135		
CAPEX / Revenues (excluding frequencies and licences)	15.2%	10.9%	-4.3 pt	-3.8 pt
Adjusted CFFO ⁽²⁾	3,927	5,419	+38.0%	+38.4%
% Adjusted EBITDA ⁽¹⁾	59.2%	75.8%	+16.6 pt	+17.5 pt
Net debt	8,748	7,517	-14.1%	-12.3%
Net debt/EBITDA ⁽³⁾	1.3x	1.0x		

Improvement in adjusted EBITDA margin (in %)



Solid cash generation (MAD millions)

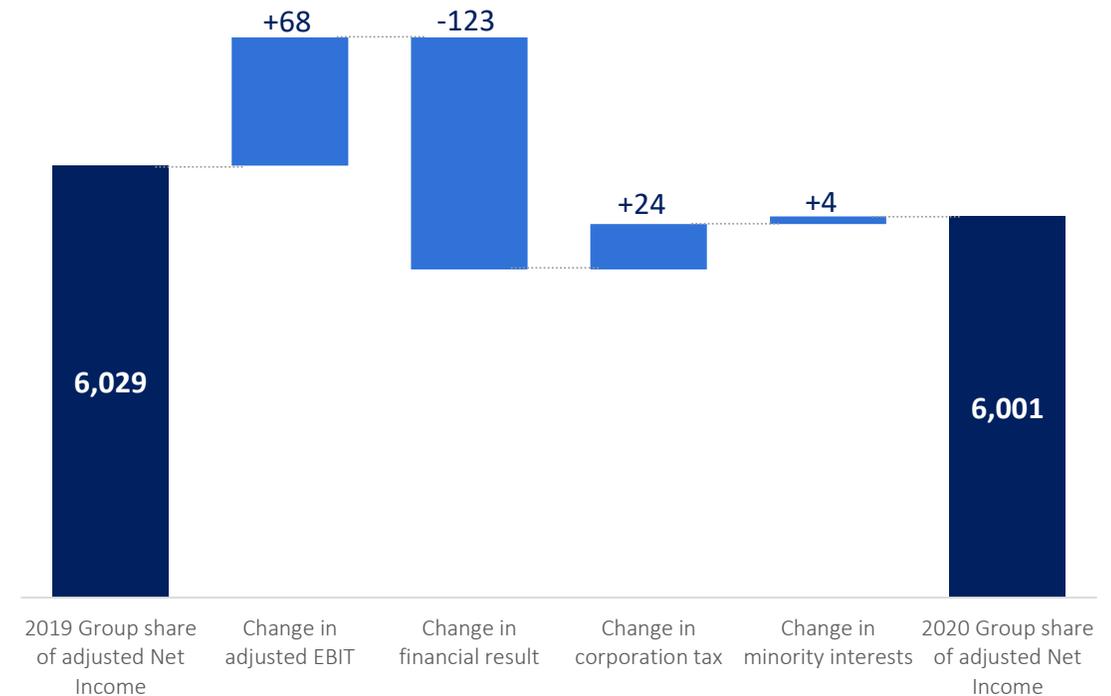


⁽¹⁾ Like-for-like basis. It illustrates the consolidation effects of Moov Africa Chad as if it had actually occurred on 1 January 2019 and the use of a constant exchange rate

⁽²⁾ See Appendix 3 ⁽³⁾ Excluding the impact of IFRS 16

MAD millions	2019	2020	Change	Like-for-like change ⁽¹⁾
Revenues	36,517	36,769	+0.7%	-0.8%
Adjusted EBITDA ⁽²⁾	18,922	19,100	+0.9%	+0.5%
Margin (%)	51.8%	51.9%	+0.1 pt	+0.7 pt
Adjusted EBITA ⁽²⁾	11,540	11,598	+0.5%	+0.8%
Margin (%)	31.6%	31.5%	-0.1 pt	+0.5 pt
Financial result	-792	-916	+15,6%	
Corporation tax	-3,832	-3,809	-0,6%	
Minority interests	-875	-871	-0.5%	
Group share of adjusted Net Income ⁽²⁾	6,029	6,001	-0.5%	-0.4%
Margin (%)	16.5%	16.3%	-0.2 pt	+0.1 pt

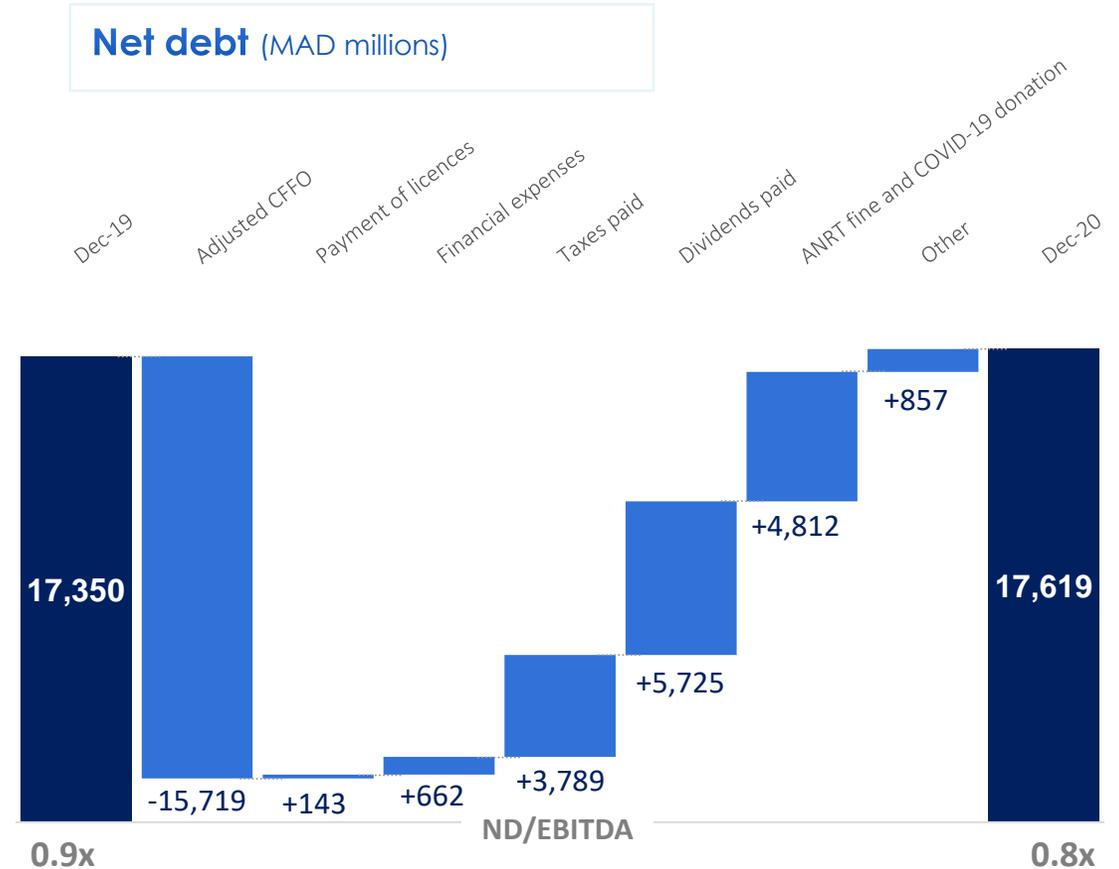
Group share of adjusted Net Income
(MAD millions)



⁽¹⁾ Like-for-like basis. It illustrates the consolidation effects of Moov Africa Chad as if it had actually occurred on 1 January 2019 and the use of a constant exchange rate

⁽²⁾ See Appendix 3

MAD millions	2019	2020	Change	Like-for-like change ⁽¹⁾
Adjusted EBITDA ⁽²⁾	18,922	19,100	+0.9%	+0.5%
CAPEX	6,788	3,448	-49.2%	-50.6%
Including licences and frequencies	1,418	135		
CAPEX / Revenues (excluding frequencies and licences)	14.7%	9.0%	-5.7 pt	-5.5 pt
Adjusted CFO ⁽²⁾	13,352	15,719	+17.7%	+17.8%
% EBITDA	70.6%	82.3%	+11.7 pt	+12.1 pt
Financial expenses	-486	-662	+36.0%	
Taxes paid	-4,091	-3,789	-7.4%	
Adjusted CFAIT ⁽²⁾	8,700	11,269	+29.5%	
% EBITDA	46.0%	59.0%	+13.0 pt	
Net debt	17,350	17,619	+1.6%	+2.4%
Net debt/EBITDA ⁽³⁾	0.9x	0.8x		



⁽¹⁾ Like-for-like basis. It illustrates the consolidation effects of Moov Africa Chad as if it had actually occurred on 1 January 2019 and the use of a constant exchange rate

⁽²⁾ See Appendix 3 ⁽³⁾ Excluding the impact of IFRS 16

/ OUTLOOK



OUTLOOK FOR 2021

➤ In Morocco

Impact of the health crisis on the business —

Competitive pressures —

Increased coverage of FTTH networks —

Decrease in national call terminations with maintenance of asymmetry

➤ In the Moov Africa 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 service quality —

Renewal of licences

GROUP OUTLOOK FOR 2021
AT CONSTANT SCOPE AND EXCHANGE RATES

**DECREASE IN
REVENUES**

**DECREASE
IN EBITDA**

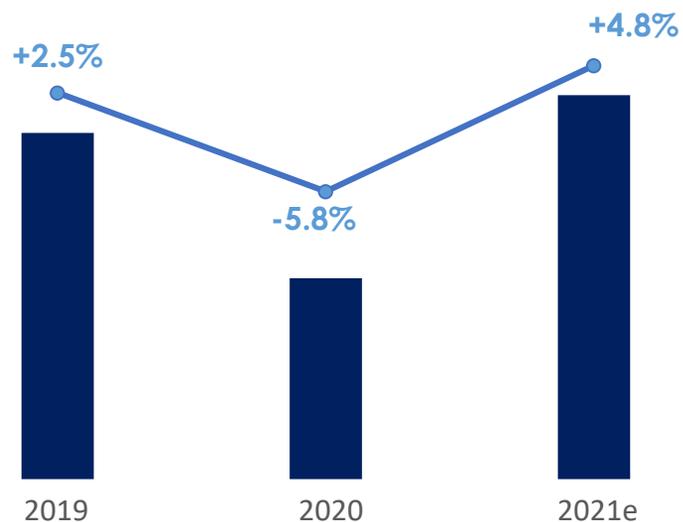
**CAPEX OF MAXIMUM
15% OF REVENUES**
(excluding frequencies and
licences)

/ APPENDICES



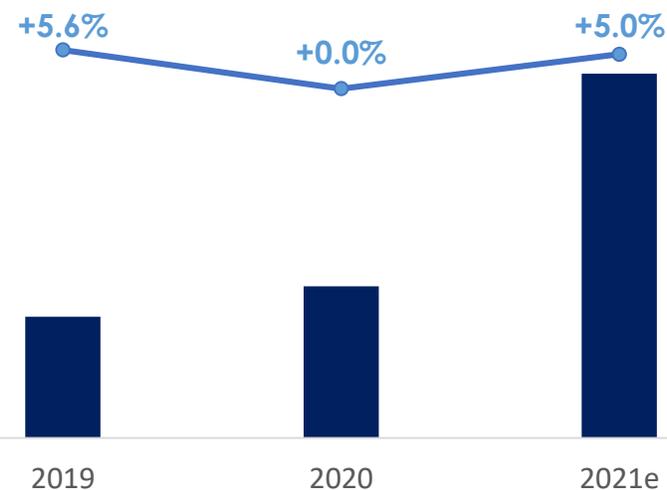
APPENDIX 1 / Macroeconomic environment

In Morocco (1)



The gradual recovery of post-lockdown activity, combined with massive stimulus measures, should support a recovery of the economy in 2021.

Internationally (2)



Despite the damage caused by the pandemic, the potential for transformative and sustainable reforms should lead to a gradual recovery.

APPENDIX 2 / Effective management of the COVID-19 crisis

➤ CRISIS MANAGEMENT

Reconciling two principles: employees and customers safety and business continuity;

—

Continuity of the technical and commercial service with the main focus on teleworking and the digitalization of functions and processes;

—

Launch of the e-store, making it easier to sign up for, purchase and pay for Mobile and Internet services online;

—

Covid-19 testing of all employees and on-site suppliers;

—

Supply chain enhancement (commercial and technical);

—

Extension of international bandwidth to accommodate increased use and to maintain quality of service.

➤ IMPACT OF THE CRISIS

Economic recession (-5.8% in 2020 in Morocco according to the Ministry of the Economy, Finance and Administration Reform and stable on average in the countries where the Group is present) and impact on household spending;

—

Decrease in the activity (prepaid, roaming and international incoming).

APPENDIX 3 / Transition from adjusted financial indicators to published financial indicators

MAD millions	2019			2020		
	Morocco	International	Group	Morocco	International	Group
Adjusted EBITDA	12,294	6,629	18,922	11,950	7,150	19,100
Dispute resolution				+420		+420
Published EBITDA	12,294	6,629	18,922	12,370	7,150	19,520
Adjusted EBITA	8,294	3,246	11,540	8,079	3,520	11,598
Dispute resolution				+420		+420
Restructuring costs		-9	-9			
ANRT decision	-3,300		-3,300			
Published EBITA	4,994	3,237	8,231	8,499	3,520	12,018
Group share of adjusted Net Income			6,029			6,001
Dispute resolution						+469
Restructuring costs			-4			
ANRT decision			-3,300			
Contribution to the COVID-19 fund						-1,047
Group share of published Net Income			2,726			5,423
Adjusted CFO	9,425	3,927	13,352	10,300	5,419	15,719
Payment of licences	-102	-1,835	-1,937		-143	-143
ANRT fine				-3,300		-3,300
Published CFO	9,324	2,091	11,415	7,000	5,277	12,276

APPENDIX 4 / Impact of the adoption of IFRS 16

MAD millions	2020		
	Morocco	International	Group
Adjusted EBITDA	+266	+292	+557
Adjusted EBITA	+33	+29	+62
Group share of adjusted Net Income			-17
Adjusted CFO	+266	+292	+557
Net debt	+838	+801	+1,639

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 held		52%	61%	51%	51%	85%	100%	95%	100%	100%	100%
Population (millions)	36.0	4.1	20.9	2.1	19.7	27.0	12.1	8.3	24.2	4.8	16.4
GDP (\$bn)	112	7.4	16.1	15.1	17.7	61.5	15.3	5.7	13.0	2.3	10.5
Mobile penetration	131%	98%	101%	145%	102%	139%	80%	81%	47%	30%	50%
Mobile market share (customer base)	43%	65%	42%	53%	39%	27%	45%	48%	26%	8%	53%
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	●	●	●	●	●	●	●	●			●

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This presentation 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 presentation 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 *and seq.* of the circular of the Moroccan Capital Market Authority and 223-1 *and seq.* of the general regulation of the French Financial Markets Authority.