

## CONSOLIDATED RESULTS FOR Q1 2020

### Good operational performance:

- » **Almost 69 million customers in the Group**, up 11.3%;
- » **+4.0% growth in consolidated revenue** (+2.0% on a like-for-like basis\*) thanks to the strong interest for Mobile Data in Morocco and the subsidiaries;
- » **EBITDA improved by 2.2%** on a like-for-like basis\*, enabling margins to be kept at a high level of 51.5% (+0.1 pt on a like-for-like basis\*);
- » **Adjusted Net Income Group share increased by 1.4%** on a like-for-like basis\*.

To mark the publication of the quarterly results, Mr. Abdeslam Ahizoune, Chairman of the Management Board, made the following comments:

*“The results of this first quarter are driven by the positive momentum of customer base and Data revenue across the countries in which the Group operates. In the current context of health crisis and lockdown, the Group remains fully mobilized for the protection of its employees and its*

*customers. The Group has managed to ensure the availability and continuity of its services under exceptional conditions imposed by the pandemic. It thus quickly mobilized technological resources to increase the capacities of the networks in order to face the increase in Data usage.”*

\*Like-for-like basis refers to the consolidation of Tigo Chad, unchanged MAD/Ouguiya/CFA Franc exchange rates and the neutralization of the application of IFRS16 impacts.

## GROUP'S ADJUSTED\* CONSOLIDATED RESULTS

IFRS in MAD million	Q1-2019	Q1-2020	Change	Change on a like-for-like basis <sup>(1)</sup>
<b>Revenue</b>	<b>8,948</b>	<b>9,309</b>	<b>+4.0%</b>	<b>+2.0%</b>
<b>EBITDA</b>	<b>4,649</b>	<b>4,794</b>	<b>+3.1%</b>	<b>+2.2%</b>
<i>Margin (%)</i>	<i>52.0%</i>	<i>51.5%</i>	<i>-0.5 pt</i>	<i>+0.1 pt</i>
<b>Adjusted EBITA</b>	<b>2,904</b>	<b>2,913</b>	<b>+0.3%</b>	<b>+0.4%</b>
<i>Margin (%)</i>	<i>32.5%</i>	<i>31.3%</i>	<i>-1.2 pt</i>	<i>-0.5 pt</i>
<b>Group share of adjusted Net Income</b>	<b>1,583</b>	<b>1,597</b>	<b>+0.9%</b>	<b>+1.4%</b>
<i>Margin (%)</i>	<i>17.7%</i>	<i>17.2%</i>	<i>-0.5 pt</i>	<i>-0.1 pt</i>
<b>CAPEX<sup>(2)</sup></b>	<b>2,194</b>	<b>527</b>	<b>-76.0%</b>	<b>-75.7%</b>
<i>Of which licenses and frequencies</i>	<i>1,334</i>			
<i>CAPEX / revenue (excluding licenses and frequencies)</i>	<i>9.6%</i>	<i>5.7%</i>	<i>-3.9 pt</i>	<i>-4.0 pt</i>
<b>Adjusted CFFO</b>	<b>2,773</b>	<b>2,893</b>	<b>+4.3%</b>	<b>+0.6%</b>
<b>Net Debt</b>	<b>15,512</b>	<b>19,463</b>	<b>+25.5%</b>	<b>+23.6%</b>
<b>Net Debt/EBITDA<sup>(3)</sup></b>	<b>0.8x</b>	<b>1.0x</b>		

\*The adjustments to financial indicators are presented in Note 1

### ► Customer base

The Group had almost 69 million customers at end March 2020, a 11.3% increase over one year, driven by the sustained growth in customer bases in Morocco and in subsidiaries (+15.8%) with the consolidation of Tigo Chad in the Group's scope since July 1, 2019.

### ► Revenue

At end March 2020, Maroc Telecom Group had generated consolidated revenue<sup>(4)</sup> of 9,309 million dirhams, up 4.0% (+2.0% on a like-for-like basis<sup>(1)</sup>). This performance is due to the combined growth of the Group's International revenue (+6.9% at current change and +2.1% on a like-for-like basis<sup>(1)</sup>) and revenue from Morocco activities (+0.3%).

### ► Earnings from operations before depreciation and amortization

For Q1 2020, earnings from operations before depreciation and amortization (EBIDTA) for Maroc Telecom Group was 4,794 million dirhams, up 3.1% (+2.2% on a like-for-like basis<sup>(1)</sup>), driven by the increase in revenue. The EBITDA margin remained at high level of 51.5% (+0.1 pt on a like-for-like basis<sup>(1)</sup>).

### ► Earnings from operations

Adjusted earnings from operations (EBITA)<sup>(5)</sup> for Maroc Telecom Group for the first three months of 2020 amounted to 2,913 million dirhams, up 0.3% (+0.4% on a like-for-like basis<sup>(1)</sup>). The adjusted EBITA margin, still at a high level of 31.3%, decreased by 1.2 pt (- 0.5 pt on a like-for-like basis<sup>(1)</sup>).

### ► **Group share of Net Income**

At end March 2020, Group share of adjusted Net Income amounted to 1,597 million dirhams, an improvement of 0.9% (+1.4% on a like-for-like basis<sup>(1)</sup>) compared to the same period of the previous year, supported by the growth of International activities.

### ► **Cash Flow**

Adjusted cash flows from operations (CFFO)<sup>(6)</sup> amounted to 2,893 million dirhams, a 4.3% improvement over the same period in 2019, due to the increase in EBITDA.

### ► **COVID-19 pandemic**

The first quarter of 2020 is marked by an unprecedented health crisis on an international scale due to the COVID-19 pandemic. While adapting working and safety conditions for its employees, Maroc Telecom ensures the continuation of its activity under good conditions both in terms of responses to the increased demand for its network capacities and its call centers and agencies.

As part of the general mobilization and along with the major Groups in the country, Maroc Telecom has committed to contribute for an amount of 1.5 billion dirhams to the special fund dedicated to manage the coronavirus pandemic.

In the subsidiaries, service continuity and protection measures have been implemented in collaboration with the respective authorities and in accordance with the measures adopted in each country.

The Group has deployed all its efforts in order to minimize the impact of this crisis on its activities.

### ► **Highlights**

The decision by the ANRT Management Committee of January 17, 2020, on anti-competitive practices in the fixed-line market and access to fixed-line broadband internet, was notified to Maroc Telecom on January 27, 2020.

This binding decision concerns a financial penalty of 3.3 billion dirhams and injunctions relating to technical and pricing conditions of local loop unbundling. The total amount was provisioned in 2019 and paid in full during Q1 2020.

In addition, Wana Corporate has withdrawn the complaint filed with the Commercial Court of Rabat for denouncing unfair competition. The Court recorded this withdrawal by judgment rendered on February 24, 2020.

## OVERVIEW OF THE GROUP'S ACTIVITIES

The adjustments to "Morocco" and "International" financial indicators are presented in Appendix 1.

- **Morocco**

IFRS in MAD million	Q1-2019	Q1-2020	Change	Change on a like-for-like basis <sup>(1)</sup>
<b>Revenue</b>	<b>5,382</b>	<b>5,400</b>	<b>+0.3%</b>	
<b>Mobile</b>	<b>3,472</b>	<b>3,545</b>	<b>+2.1%</b>	
<i>Services</i>	3,338	3,432	+2.8%	
<i>Equipment</i>	134	113	-15.9%	
<b>Fixed-line</b>	<b>2,356</b>	<b>2,319</b>	<b>-1.6%</b>	
<i>Of which Fixed-line Data*</i>	773	829	+7.3%	
<b>Elimination and other revenue</b>	<b>-446</b>	<b>-463</b>		
<b>EBITDA</b>	<b>3,028</b>	<b>2,972</b>	<b>-1.8%</b>	<b>-2.5%</b>
<i>Margin (%)</i>	56.3%	55.0%	-1.2 pt	-1.6 pt
<b>Adjusted EBITA</b>	<b>2,055</b>	<b>1,991</b>	<b>-3.1%</b>	<b>-3.3%</b>
<i>Margin (%)</i>	38.2%	36.9%	-1.3 pt	-1.4 pt
<b>CAPEX<sup>(2)</sup></b>	<b>351</b>	<b>283</b>	<b>-19.5%</b>	
<i>Of which licenses and frequencies</i>				
<i>CAPEX / revenue (excluding licenses and frequencies)</i>	6.5%	5.2%	-1.3 pt	
<b>Adjusted CFO</b>	<b>1,773</b>	<b>1,620</b>	<b>-8.6%</b>	<b>-9.9%</b>
<b>Net Debt</b>	<b>10,346</b>	<b>12,896</b>	<b>+24.6%</b>	<b>+26.1%</b>
<b>Net Debt/EBITDA<sup>(3)</sup></b>	<b>0.8x</b>	<b>1.0x</b>		

\*Fixed-line Data includes Internet, TV over ADSL and Corporate Data services

Revenue growth for activities in Morocco continued during Q1 2020 (+0.3% compared to the same period in 2019). The increase in Mobile revenue (+2.1%), driven by Data, more than offset the decrease in Fixed-line revenue (-1.6%).

Earnings from operations before depreciation and amortization (EBITDA) reached 2,972 million dirhams, down by 1.8% (-2.5% on a like-for-like basis<sup>(1)</sup>). The EBITDA margin remained at the high level of 55.0%, down 1.2 points (-1.6 pt on a comparable basis<sup>(1)</sup>).

Adjusted earnings from operations (EBITA)<sup>(5)</sup> amounted to 1,991 million dirhams, down by 3.1% over one year (-3.3% on a like-for-like basis<sup>(1)</sup>) with the decrease in EBITDA. Adjusted EBITA margin is down by 1.3 pts (-1.4 pt on a like-for-like basis<sup>(1)</sup>) to 36.9%.

As at March 31, 2020, net adjusted cash flows from operations (CFO)<sup>(6)</sup> in Morocco decreased by 8.6% to 1,620 million dirhams due to the decrease in EBITDA.

## Mobile

	Unit	Q1-2019	Q1-2020	Change
<b>Base<sup>(7)</sup></b>	<b>(000)</b>	<b>19,298</b>	<b>19,972</b>	<b>+3.5%</b>
<i>Prepaid</i>	(000)	17,202	17,624	+2.5%
<i>Postpaid</i>	(000)	2,096	2,348	+12.0%
<b>Of which 3G/4G+ Internet<sup>(8)</sup></b>	<b>(000)</b>	<b>10,961</b>	<b>11,888</b>	<b>+8.5%</b>
<b>ARPU<sup>(9)</sup></b>	<b>(MAD/month)</b>	<b>56.8</b>	<b>56.1</b>	<b>-1.2%</b>

As at March 31, 2020, the Mobile base<sup>(7)</sup> was 20 million customers, up 3.5% year-on-year. This increase was driven by the sustained growth in the postpaid base (+12.0%) as well as the prepaid base (+2.5%).

Mobile revenue grew by 2.1% compared to the same period in 2019 to 3,545 million dirhams. Revenue for Mobile services increased by 2.8% due to the increase in outgoing revenue supported by the growth in Mobile Data for which revenue increased by 20.3%. Incoming revenue, however, decreased by 7.3% compared to the same period in 2019, partly penalized by the decrease in international traffic.

Combined ARPU<sup>(9)</sup> for the first three months of 2020 was down by 1.2% compared to the same period in 2019, at 56.1 dirhams.

### *Fixed-line and internet*

	Unit	Q1-2019	Q1-2020	Change
<b>Fixed Lines</b>	(000)	1,841	1,899	+3.2%
<b>Broadband Access<sup>(10)</sup></b>	(000)	1,511	1,602	+6.0%

The Fixed-line base continued to grow (+3.2% over one year) to 1.9 million lines at end March 2020. The broadband base<sup>(10)</sup> grew by 6.0%, driven by Double-play and FTTH offers.

Fixed-line and Internet activities in Morocco generated revenue of 2,319 million dirhams, down by 1.6% compared to the same period in 2019 partly due to the decrease in International transit activity. Revenue for Fixed-line Data increased by 7.3%.

- **International**

### Financial indicators

IFRS in MAD million	Q1-2019	Q1-2020	Change	Change on a like-for-like basis <sup>(1)</sup>
<b>Revenue</b>	<b>3,937</b>	<b>4,207</b>	<b>+6.9%</b>	<b>+2.1%</b>
<i>Of which Mobile Services</i>	3,581	3,859	+7.8%	+2.3%
<b>EBITDA</b>	<b>1,621</b>	<b>1,823</b>	<b>+12.4%</b>	<b>+10.6%</b>
<i>Margin (%)</i>	41.2%	43.3%	+2.1 pt	+3.2 pt
<b>Adjusted EBITA</b>	<b>849</b>	<b>921</b>	<b>+8.5%</b>	<b>+9.3%</b>
<i>Margin (%)</i>	21.6%	21.9%	+0.3 pt	+1.4 pt
<b>CAPEX<sup>(2)</sup></b>	<b>1,842</b>	<b>244</b>	<b>-86.7%</b>	<b>-86.4%</b>
<i>Of which licenses and frequencies</i>	1,334	-		
<i>CAPEX / revenue (excluding licenses and frequencies)</i>	12.9%	5.8%	-7.1 pt	-6.3 pt
<b>Adjusted CFFO</b>	<b>999</b>	<b>1,273</b>	<b>+27.3%</b>	<b>+17.9%</b>
<b>Net Debt</b>	<b>8,039</b>	<b>8,250</b>	<b>+2.6%</b>	<b>-3.0%</b>
<b>Net Debt/EBITDA<sup>(3)</sup></b>	<b>1.2x</b>	<b>1.1x</b>		

During Q1 2020, the Group's International activities recorded revenue of 4,207 million dirhams, up 6.9% (+2.1% on a like-for-like basis<sup>(1)</sup>) due to a significant growth in Mobile Data and Mobile Money services.

Over the same period, earnings from operations before depreciation and amortization (EBITDA) improved by 12.4% (+10.6% on a like-for-like basis<sup>(1)</sup>) to 1,823 million dirhams. The EBITDA margin increased by 2.1 pts (+3.2 pt on a like-for-like basis<sup>(1)</sup>) to 43.3%, thanks to the improved gross margin rate and controlled operational charges.

Adjusted earnings from operations (EBITA)<sup>(5)</sup> for Q1 2020 improved by 8.5% (+9.3% on a like-for-like basis<sup>(1)</sup>) to 921 million dirhams, thanks to the increase in EBITDA.

Adjusted Cash Flows From Operations (CFFO)<sup>(6)</sup> for International activities amounted to 1,273 million dirhams, up by 27.3% (+17.9% on a like-for-like basis<sup>(1)</sup>), due to the increase in EBITDA.

## Operating indicators

	Unit	Q1-2019	Q1-2020	Change
<b>Mobile</b>				
<b>Base<sup>(7)</sup></b>	<b>(000)</b>	<b>38,466</b>	<b>44 583</b>	
Mauritania		2,400	2 485	+3.6%
Burkina Faso		7,777	8 779	+12.9%
Gabon		1,559	1 573	+0.9%
Mali		7,270	7 693	+5.8%
Côte d'Ivoire		8,734	9 198	+5.3%
Benin		4,351	4 300	-1.2%
Togo		3,547	3 091	-12.9%
Niger		2,679	3 083	+15.1%
Central African Republic		149	178	+19.0%
Chad		-	4 203	-
<b>Fixed-line</b>				
<b>Base</b>	<b>(000)</b>	<b>320</b>	<b>327</b>	
Mauritania		56	57	+1.2%
Burkina Faso		77	75	-2.7%
Gabon		22	23	+4.6%
Mali		166	173	+4.5%
<b>Broadband</b>				
<b>Base<sup>(10)</sup></b>	<b>(000)</b>	<b>113</b>	<b>123</b>	
Mauritania		11	16	+41.3%
Burkina Faso		15	14	-5.5%
Gabon		17	18	+7.9%
Mali		70	74	+5.6%



## Notes:

- (1) The like-for-like basis illustrates the effects of the consolidation of Tigo Tchad as if had effectively occurred on January 1, 2019, a constant MAD/Ouguiya/CFA Franc exchange rate and the neutralization of the impact of the application of IFRS 16 on EBITDA, adjusted EBITA, adjusted Net Income Group share, adjusted CFFO and net debt.
- (2) CAPEX corresponds to the acquisitions of non-current intangible assets and property, plant and equipment recognized during the period.
- (3) The net debt / EBITDA ratio excludes the impact of IFRS 16.
- (4) Maroc Telecom consolidates Mauritel, Onatel, Gabon Télécom, Sotelma, Casanet, AT Côte d'Ivoire, Etisalat Benin, AT Togo, AT Niger, AT Centrafrique, and Tigo Tchad in its accounts since July 1, 2019.
- (5) EBITA corresponds to operating income before the amortization of intangible assets related to business combinations, goodwill impairment and other intangible assets related to business combinations and other income and expenses related to financial investment operations and transactions with shareholders (unless they are directly recognized in shareholders' equity).
- (6) CFFO includes the net cash flows from operations before tax, as presented in the cash flow statement, as well as dividends received from companies accounted for using the equity method and non-consolidated investments. It also includes net industrial investments, which correspond to net cash outflows related to acquisitions and disposals of non-current intangible assets and property, plant and equipment.
- (7) The asset base comprises prepaid customers, that have made or received a voice call (excluding calls from the concerned ERPT or its Customer Relations Centers) or sent an SMS/MMS or used Data services (excluding technical data exchanges with the concerned ERPT network) over the last three months and postpaid customers that have not canceled.
- (8) The Mobile Internet 3G and 4G+ asset base includes holders of a postpaid subscription contract (whether or not combined with a voice offering) and holders of a prepaid subscription to the Internet service that have made at least one recharge over the last three months or for whom the credit is valid and who have used the service during the period.
- (9) The ARPU is defined as revenue (generated by entering or exiting calls and by data services) less promotional offers, excluding roaming and equipment sales, divided by the average base over the period. It is the combined ARPU for the prepaid and postpaid segments.
- (10) The broadband base includes ADSL, FTTH access and rented connections and also includes the CDMA base in Mauritania, Burkina Faso and Mali.

## Important warning:

**Forward-looking statements.** This press release contains forward-looking statements and elements relating to the financial position, operating results, strategy and outlook for Maroc Telecom and the impacts of certain transactions. Although Maroc Telecom considers that these forward-looking statements are based on reasonable assumptions, they do not constitute guarantees as to the Company's future performance. The effective results may be very different from the forward-looking statements due to a certain number of known and unknown risks and uncertainties, most of which are beyond our control, notably the risks described in the public documents filed by Maroc Telecom with the Autorité Marocaine du Marché des Capitaux (Moroccan Capital Markets Authority, [www.ammc.ma](http://www.ammc.ma)) and the Autorité des Marchés Financiers (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 may only be assessed on the day of its publication. Maroc Telecom makes no commitment to complete, update or amend these forward-looking statements as a result of new information, a future event or any other reason, subject to the applicable regulations notably articles 2.31 et seq. of the Autorité Marocaine du Marché des Capitaux circular and 223-1 et seq. of the Autorité des Marchés Financiers General Regulation.

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

**\*SPT is a company incorporated in Morocco and controlled by Etisalat.**

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*Appendix 1: Change from adjusted financial indicators to reported financial indicators*

Adjusted EBITA, Group share of adjusted Net Income and adjusted CFFO are not strictly accounting measurements and must be considered as additional information. They better illustrate the Group's performance by excluding exceptional items.

<i>(in MAD millions)</i>	Q1-2019			Q1-2020		
	Morocco	International	Group	Morocco	International	Group
<b>Adjusted EBITA</b>	<b>2 055</b>	<b>849</b>	<b>2 904</b>	<b>1 991</b>	<b>921</b>	<b>2 913</b>
<b>Reported EBITA</b>	<b>2 055</b>	<b>849</b>	<b>2 904</b>	<b>1 991</b>	<b>921</b>	<b>2 913</b>
<b>Group share of Adjusted Net Income</b>			<b>1 583</b>			<b>1 597</b>
<b>Group share of Reported Net Income</b>			<b>1 583</b>			<b>1 597</b>
<b>Adjusted CFFO</b>	<b>1 773</b>	<b>999</b>	<b>2 773</b>	<b>1 620</b>	<b>1 273</b>	<b>2 893</b>
<b>Exceptional items:</b>						
Payment of licenses		-1 625	-1 625			
ANRT penalty				-3 300		-3 300
<b>Reported CFFO</b>	<b>1 773</b>	<b>-626</b>	<b>1 148</b>	<b>-1 680</b>	<b>1 273</b>	<b>-407</b>

Q1 2019 includes the payment of 1,625 million dirhams for licenses obtained in Burkina Faso, Mali and Côte d'Ivoire.

## Appendix 2: Impact of the application of IFRS 16

At end March 2020, the impacts of the application of the IFRS16 standard on the main consolidated aggregates of Maroc Telecom Group were as follows:

<i>(in MAD millions)</i>	Q1-2020		
	Morocco	International	Group
<b>EBITDA</b>	<b>+69</b>	<b>+63</b>	<b>+132</b>
<b>Adjusted EBITA</b>	<b>+13</b>	<b>+9</b>	<b>+22</b>
<b>Group share of adjusted Net Income</b>			<b>+1</b>
<b>Adjusted CFFO</b>	<b>+69</b>	<b>+63</b>	<b>+132</b>
<b>Net Debt</b>	<b>+891</b>	<b>+696</b>	<b>+1,587</b>